

JUL 9 1923



COMMONWEALTH OF AUSTRALIA.

PARLIAMENTARY DEBATES.

FIRST SESSION, 1920.

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EIGHTH PARLIAMENT.

FIRST SESSION.

Governor-General.

His Excellency the Right Honorable Sir RONALD CRAUFURD MUNRO FERGUSON, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia.

Australian National Government.

(From 10th January, 1918.)

Prime Minister and Attorney-General	..	The Right Honorable William Morris Hughes, P.C., K.C.
Minister for the Navy	..	The Right Honorable Sir Joseph Cook, P.C., G.C.M.G.
		<i>Succeeded by</i>
		The Honorable W. H. Laird Smith (28th July, 1920).
Treasurer	..	The Right Honorable Lord Forrest, P.C., G.C.M.G.
		<i>Succeeded by</i>
		The Right Honorable William Alexander Watt, P.C. (27th March, 1918.)††
		<i>Succeeded by</i>
		The Right Honorable Sir Joseph Cook, P.C., G.C.M.G. (28th July, 1920)
Minister for Defence	..	The Honorable George Foster Pearce.
Minister for Repatriation	..	The Honorable Edward Davis Millen.
Minister for Works and Railways	..	The Right Honorable William Alexander Watt, P.C.
		<i>Succeeded by</i>
		The Honorable Littleton Ernest Groom (27th March, 1918).
Minister for Home and Territories	..	The Honorable Patrick McMahon Glynn, K.C. ††
		<i>Succeeded by</i>
		The Honorable Alexander Poynton (4th February, 1920).
Minister for Trade and Customs	..	The Honorable Jens August Jensen.†
		<i>Succeeded by</i>
		The Right Honorable William Alexander Watt, P.C. (13th December, 1918)
		<i>Succeeded by</i>
		The Honorable Walter Massy Greene (17th January, 1919).
Postmaster-General	..	The Honorable William Webster. †††
		<i>Succeeded by</i>
		The Honorable George Henry Wise (4th February, 1920).
Vice-President of the Executive Council	..	The Honorable Littleton Ernest Groom.
		<i>Succeeded by</i>
		The Honorable Edward John Russell (27th March, 1918).
Honorary Minister	..	The Honorable Edward John Russell.
		Appointed Vice-President of the Executive Council, 27th March, 1918.
Honorary Minister	..	The Honorable Alexander Poynton.
		Appointed Minister for Home and Territories, 4th February, 1920.
Honorary Minister	..	The Honorable George Henry Wise.
		Appointed Postmaster-General, 4th February, 1920.
Honorary Minister	..	The Honorable Walter Massy Greene.
		Appointed Minister for Trade and Customs, 17th January, 1919.*
Honorary Minister	..	The Honorable Richard Beaumont Orchard**
Honorary Minister	..	The Honorable Sir Granville de Laune Ryrie, K.C.M.G., C.B., V.D. ††
Honorary Minister	..	The Honorable William Henry Laird Smith.††
		Appointed Minister for the Navy, 28th July, 1920.
Honorary Minister	..	The Honorable Arthur Stanislaus Rodgers.***

* Appointed 26th March, 1918. —† Removed from office, 13th December, 1918. —** Resigned office, 31st January, 1919. —†† Appointed 4th February, 1920. —††† Resigned 3rd February, 1920. —†††† Resignation from office gazetted, 15th June, 1920. —*** Appointed 28th July, 1920.

Senators.

(From 1st July, 1920.)

President—Senator the Honorable Thomas Givens.

Chairman of Committees—Senator Thomas Jerome Kingston Bakhap.

*Adamson, John, C.B.E. (Q.)	*Glasgow, Sir Thomas William, K.C.B., C.M.G., D.S.O. (Q.)
Bakhap, Thomas Jerome Kingston (T.)	*Guthrie, James Francis (V.)
*Benny, Benjamin (S.A.)	Guthrie, Robert Storrie (S.A.)
Bolton, William Kinsey, C.B.E., V.D. (V.)	Henderson, George (W.A.)
*Buzacott, Richard (W.A.)	Keating, Hon. John Henry (T.)
*Cox, Charles Frederick, C.B., C.M.G. (N.S.W.)	*Lynch, Patrick Joseph (W.A.)
Crawford, Thomas William (Q.)	Millen, Hon. Edward Davis (N.S.W.)
De Largie, Hon. Hugh (W.A.)	*Millen, John Dunlop (T.)
*Drake-Brockman, Edmund Alfred, C.B., C.M.G., D.S.O. (W.A.)	*Newland, John (S.A.)
*Duncan, Walter Leslie (N.S.W.)	*Payne, Hon. Herbert James Mockford (T.)
Earle, Hon. John (T.)	2 Pearce, Hon. George Foster (W.A.)
*Elliott, Harold Edward, C.B., C.M.G., D.S.O., D.C.M. (V.)	1 Plain, William (V.)
Fairbairn, George (V.)	Pratten, Herbert Edward (N.S.W.)
Foll, Hattil Spencer (Q.)	Reid, Matthew (Q.)
2 Foster, George Matthew (T.)	1 Rowell, James, C.B. (S.A.)
*Gardiner, Albert (N.S.W.)	*Russell, Hon. Edward John (V.)
*Givens, Hon. Thomas (Q.)	Senior, William (S.A.)
	Thomas, Hon. Josiah (N.S.W.)
	*Wilson, Reginald Victor (S.A.)

1. Appointed Temporary Chairman of Committees, 21st July, 1920. 2. Elected 13th December, 1919. Sworn 21st July, 1920. 3. Appointed Temporary Chairman of Committees, 26th February, 1920. * Elected 13th December, 1919. Sworn, 1st July, 1920.

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tories and islands in the Pacific Ocean, and for making immediate provision for the civil government of the said islands and for other purposes.

Mr. PARKER MOLONEY.—Why was not that information given before?

Sir JOSEPH COOK.—The Prime Minister gave it.

Mr. PARKER MOLONEY.—He did not. Moreover, it does not go far enough, as the Treasurer has merely given the usual verbiage used in introducing any measure. We may desire to extend the order of leave.

Sir JOSEPH COOK.—I am not opposing that attitude, but am simply suggesting that you do not now insist upon exercising all the rights you possess. May I remind the honorable member that, if every honorable member insisted on his full rights, no business could be done.

Mr. PARKER MOLONEY.—I can quite understand that.

Sir JOSEPH COOK.—Then why keep on referring to your rights?

Mr. PARKER MOLONEY.—Our constituents naturally expect us to exercise our rights. If the Treasurer had been in the Prime Minister's place we might have allowed the motion to pass. The Treasurer now says that he admits we have rights, but he does not want us to exercise them; but the Prime Minister made a cheap kind of imputation against other honorable members, and gave the impression that we did not possess rights. The Prime Minister referred in a sneering manner to the absence of the honorable member for West Sydney, who has been indisposed, but the Prime Minister should remember that he has absented himself on various occasions. Quite recently he visited Bendigo, and later Ballarat before the recent *debacle*, from his party's point of view, in that electorate.

Sir JOSEPH COOK.—What a fine conciliatory tone.

Mr. DEPUTY SPEAKER.—Order! I ask the right honorable the Treasurer and the honorable member for Hume not to indulge in personalities.

Mr. PARKER MOLONEY.—If the Treasurer would only take the Prime Minister away for the week-end and have a good talk with him, I believe good would result.

Mr. CONSIDINE.—What has the honorable member against the Treasurer to

suggest that he should be punished in that way?

Mr. PARKER MOLONEY.—Well, there is something in that. I have respect for the Treasurer, and perhaps I should not suggest leaving him for the week-end in the Prime Minister's company; but I would be glad if he would take the Prime Minister away and give him the advice he sorely needs to enable him to return to conduct the business of this Chamber in a more conciliatory manner.

Mr. CUNNINGHAM (Gwydir) [4.29].—It is now understood that the Government desire to introduce a measure concerning mandates over Possessions in the Pacific. I move—

That after the word "government" second occurring the words "in accordance with the White Australia policy" be inserted.

As a new member of this House, I have been surprised to observe the way in which the right of honorable members to discuss measures at their various stages has been abrogated as the result of the slipshod methods adopted by the Government. I can well understand the attempt of the Prime Minister (Mr. Hughes) to "shanghai" motions through the House in this way in view of his reputation for unbusiness-like methods. Our experience of the way in which he dealt with the sale of Australian produce overseas has taught us that he delays matters until the last moment, and then expects Parliament to accept his assurance that "everything is all right." He has had no business training, and therefore does not take ordinary business precautions. I support the stand taken by the honorable member for West Sydney (Mr. Ryan) in regard to Nauru. Although the Government have paid over £1,500,000, we are in much the same position as a man who buys a block of ground without ascertaining whether the vendor has a good title to it.

I hope that the Government will not again attempt to spring new business on the House in this way. Had they given us reasonable notice of their intention to submit this motion, we should have avoided the unedifying scene to which the Prime Minister has treated us this afternoon. No one can complain of the treatment that the Opposition extend to the Government when we receive at their hands the ordinary courtesies to which we are entitled. Our constituents

look to us to preserve their rights, and I submit my amendment because of the tendency, during recent years, to introduce into the islands surrounding Australia large numbers of Japanese, Hindoos, Malays, and crossbreds of every description. We want to avoid what has occurred in New Zealand, where there have been what are known in the United States of America as race riots, because of the introduction of coloured aliens into the Dominion. A few years ago, no one would have dreamt that New Zealand would occupy the position she does today, which has been brought about by a Government of which we have had for the last few years a replica in Australia. During the last five years, the Government have exercised under the War Precautions Act autocratic powers such as were enjoyed only by Governments in the Dark Ages, and these they seek to continue, although the war is over. Just as a tiger, having tasted blood, desires more, so the Government, having exercised these autocratic powers, are loth to part with them. Now that we desire to get back to pre-war methods of government, we find that the Prime Minister (Mr. Hughes) is not disposed to be amenable to reason. In accordance with his usual unmannerly style, he has levelled all sorts of charges at those who seek to safeguard the rights of the Parliament.

Mr. RYAN.—He has escaped too often, with his Senate scandal, and so forth, and he needs to be pulled up.

Mr. CUNNINGHAM.—As the honorable member for West Sydney (Mr. Ryan) reminds me, the Prime Minister has been intimately connected with many scandals in this Parliament—

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter).—Order! I ask the honorable member to refrain from making imputations.

Mr. PARKER MOLONEY.—That little lecture might very well have been delivered to the Prime Minister.

Mr. DEPUTY SPEAKER.—Order! The honorable member for Hume (Mr. Parker Moloney), who has previously insulted the Chair, is distinctly out of order in making that remark. I called the Prime Minister to order for the same reason that I have just called the honorable member for Gwydir (Mr. Cunningham) to order.

Mr. CUNNINGHAM.—The Prime Minister, ever since I have known him, has adopted a policy of bustle and bluff, and where he finds that insufficient to carry him through, he does not hesitate to be insulting.

Mr. DEPUTY SPEAKER.—Order!

Mr. CUNNINGHAM.—I am now referring to the Prime Minister's attitude outside the Parliament.

We need to provide that the civil government of these territories shall be in accordance with the White Australia policy, because it is impossible to trust the Prime Minister to administer the mandate intrusted to us in accordance with the desires of the Australian people. The history of the administration of the occupied territories during the war is in some respects not to the credit of the Government, and we have no desire that the same sort of thing shall happen in the administration of the territories now coming under our control, and for which we shall be directly responsible to not only the people of Australia, but the League of Nations. I am reminded by the honorable member for West Sydney (Mr. Ryan) that during the last few days the newspapers have been full of statements showing that our White Australia policy is likely to be challenged within the next twelve months. It is quite possible that our neighbours, the Japanese, may endeavour to make their presence felt in these territories if any loophole is left for their introduction into these islands, as freely as they have entered New Caledonia. We do not desire that Australian money shall be expended in these territories merely to bolster up and support a large body of coloured aliens whose operations may at any time seriously menace the welfare of the Commonwealth.

I trust that in future the Government will give adequate notice of their intention to introduce new business, and that we shall have fewer exhibitions of "bluff" on the part of the Prime Minister than has recently been our experience. The failure of his "bluff" this afternoon will, I hope, lead to his taking up a different attitude.

Mr. MAKIN (Hindmarsh) [4.40].—I desire to second the amendment, and ask leave to continue my remarks on a future occasion.

Sir JOSEPH COOK.—I object. The Opposition can take the responsibility of throwing out the motion. To do this kind of thing on a Friday afternoon has never before been attempted in the twenty years' history of this Parliament.

Mr. BRENNAN.—We are making new precedents.

Mr. MAKIN.—That is so.

Mr. GREENE.—It is the dirtiest thing I have seen done in this House.

Mr. PARKER MOLONEY. — Honorable members must blame the Prime Minister for it.

Sir JOSEPH COOK.—There is such a thing as playing the game.

Mr. MAKIN.—It should be borne in mind that I gave the Government the opportunity to accept an adjournment of the debate so that I might continue my remarks on a future occasion.

Mr. GREENE.—That is too thin. Any one can see what honorable members opposite are up to. It is the dirtiest thing I have seen done in this House.

Mr. MAKIN.—I desire to voice my opinion on these matters, and I see no reason why, on that account, any honorable member should become incensed.

Mr. GREENE.—It is the dirtiest thing I have seen done in this House.

Mr. BRENNAN.—I rise to order. I object to the remark made by the Minister for Trade and Customs (Mr. Greene). Referring to the moving of the amendment, the honorable member said, "It is the dirtiest thing that has ever been done in this House." That I regard as a reflection upon every honorable member on this side who supports the amendment, and I ask that the statement should be withdrawn.

Mr. GREENE.—The honorable member is entirely wrong in the inference he has drawn. I used the words he has repeated and I withdraw them, but my intention was not to refer to the moving of the amendment, but to the fact that an honorable member opposite went from one member to another trying to induce them to get up and speak at this hour.

Mr. CUNNINGHAM.—I rise to a point of order. I object to the statement that the honorable member for West Sydney (Mr. Ryan) went from one honorable member to another on this side trying to get them to speak. That is an entire misstatement.

Mr. CONSIDINE.—I draw attention to the state of the House.

Mr. BRENNAN.—I object to the reflection that has been cast upon myself.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter).—The Minister for Trade and Customs has complied with the rules of the House, and has withdrawn the statement objected to.

Mr. BRENNAN.—The Minister has not apologized for his latest offence. I rise to point out that what I now take exception to is his grossly offensive remark that I have been influenced, and improperly influenced, by the honorable member for West Sydney or any one else in regard to the course of action I am taking. I ask that that gross reflection be withdrawn.

Mr. DEPUTY SPEAKER.—I ask the Minister for Trade and Customs if he made such a statement to withdraw it.

Mr. GREENE.—Of course I withdraw it, but I did not imply that any improper influence had been used. I simply said that influence had been used.

Mr. PARKER MOLONEY.—I draw attention to the state of the House.

Mr. DEPUTY SPEAKER.—The honorable member for Barrier (Mr. Considine) has already done so. [*Quorum formed.*]

Mr. MAKIN.—I was about to say—
Motion (by Sir JOSEPH COOK) put—

That the question be now put.

The House divided.

In division:

Mr. PARKER MOLONEY.—How many members are there on the Government side?

Mr. BRENNAN.—Twenty-four members are required to carry the motion.

Mr. DEPUTY SPEAKER.—When I require instructions as to my duty, I shall apply to the proper quarter.

Mr. BRENNAN.—And I shall rise to a point of order whenever I desire, no matter how offensive the presiding officer may be.

Mr. DEPUTY SPEAKER. — The honorable member is out of order.

Mr. BRENNAN.—So are you.

Mr. DEPUTY SPEAKER. — The honorable member must withdraw that expression.

Mr. BRENNAN.—I do; and you ought to apologize.

Mr. DEPUTY SPEAKER. — The honorable member continues to make offensive remarks, and, personally, I am

sure the House does not expect me to sit here and permit them. There not being the requisite number of members present, the motion is lost.

Mr. MAKIN.—I regret very much that the Treasurer (Sir Joseph Cook) should have moved the closure in my case. If there is any honorable member who has endeavoured to conduct himself as he should, without trespassing on the time of the House, it is myself. I resent the fact that the honorable gentleman should have submitted the motion he did.

Sir JOSEPH COOK.—I remind the honorable member that he is not "playing the game." What is being done this afternoon has never been done before.

Mr. MAKIN.—I have yet to learn that honorable members on either side of the House have not the right to speak, while the House is sitting, so long as they keep within the Standing Orders.

Sir JOSEPH COOK.—Who is disputing your right?

Mr. MAKIN.—The honorable gentleman is suggesting that I am not "playing the game." I have always endeavoured to "play the game," and will continue to do so.

Sir JOSEPH COOK.—You are not doing so now.

Mr. PARKER MOLONEY.—I beg to call attention to the state of the House.

There not being a quorum present,

Mr. Deputy Speaker adjourned the House at 5 p.m.

Senate.

Wednesday, 18 August, 1920.

The PRESIDENT (Senator the Hon. T. Givens) took the chair at 3 p.m., and read prayers.

PAPERS.

The following papers were presented:—

Defence Act.—Regulations amended.—Statutory Rules 1920, Nos. 132, 133, 134, 135.

Land Acquisition Act.—Land acquired at Liverpool, New South Wales—For Defence purposes.

Papua.—Ordinance No. 3 of 1920—Aliens, 1919.

Public Service Act.—Promotions.—Department of the Treasury.—P. A. I. O'Brien, D. R. Casey, V. P. B. Williams, T. F. Hiseock, W. J. Mason, R. C. Webster, J. Duffy, L. Walsh, H. Millard, J. L. Menzies, A. P. Hosking, W. J. Ditchburn, R. J. Davis, J. R. Shepherd, J. G. Sowersby, H. I. Furphey, G. H. Thomas.

War Service Homes Act.—Land acquired at—

Daylesford, Victoria.

Gosford, New South Wales.

Wahgunyah, Victoria (two notifications).

WAR SERVICE HOMES BILL.

Motion (by Senator E. D. MILLEN) agreed to—

That leave be given to introduce a Bill for an Act to amend the War Service Homes Act 1918-19.

NATIONALITY BILL.

Motion (by Senator RUSSELL) agreed to—

That leave be given to introduce a Bill for an Act relating to Nationality and Aliens.

Bill presented, and read a first time.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [3.5].—I move—

That standing order 192 be suspended so as to enable the second reading of the Bill to be taken forthwith.

It is not my intention to carry the proceedings on the Bill further than to make my speech in moving the second reading. It will facilitate the business of the Senate if honorable senators will agree to the suspension of standing order 192 for that purpose?

Question resolved in the affirmative.

PUBLIC SERVICE BILL.

Motion (by Senator PEARCE) proposed—

That this Bill be now read a third time.

Senator ELLIOTT (Victoria) [3.7].—I move—

That the Bill be recommitted for the reconsideration of clause 5.

When the Bill was under consideration last, in Committee, I suggested an amendment of the amendment submitted by Senator Earle in clause 5. The Minister for Defence (Senator Pearce) took exception to the amendment I suggested, and Senator Earle did not see his way to

adopt my suggestion. I missed my opportunity to submit the amendment I desired before the proceedings upon the Bill in Committee were concluded. I ask for the recommitment of the Bill in order to move an amendment to give power to the Board of Management should it differ from the Minister on a matter which it deems of vital importance to bring that matter before Parliament in a more direct way than the Bill provides for.

The **PRESIDENT** (*Senator the Hon. T. Givens*).—The honorable senator is not at liberty to argue the matter now. The question before the Senate is the recommitment of the Bill for the purpose of reconsidering clause 5, and if that is agreed to the honorable senator will then be able to give his reasons for the amendment he desires to submit.

Senator ELLIOTT.—I desire that the Bill should be recommitted to enable me to submit the amendment to which I have referred, and which I believe would be an improvement upon the Bill. I ask honorable senators to support my request.

Senator PEARCE (*Western Australia—Minister for Defence*) [3.9].—In view of the state of our business-paper it would be churlish on my part to object to the recommitment of the Bill, but I wish it to be understood that, in agreeing to the recommitment, the Government are by no means committing themselves to the acceptance of the amendment which Senator Elliott desires to submit.

Question—That the Bill be recommitment—resolved in the affirmative.

In Committee (Recommitment):

Clause 5 (Proposed new section 11)—

(3.) If the Permanent Head does not approve of or adopt the recommendation, report, or suggestion, he shall within a reasonable time inform the Board of the reasons therefor.

(4.) Thereupon the Board may, if it thinks fit, make the recommendation, report, or suggestion to the Minister administering the Department in question, and if the recommendation, report, or suggestion is not approved, or adopted by the Minister within a reasonable time, the Board may report the matter to both Houses of the Parliament either by means of a special report or by inclusion in its annual report.

Senator ELLIOTT (*Victoria*) [3.10].—I move—

That after the word "therefor," in sub-clause 3 of proposed new section 11, the following words be inserted: "and, if the Board does

not agree with the reasons given, it may, if it thinks fit, so inform the permanent head and request that the matter be referred to the Minister."

If this amendment be agreed to, I intend also to move that sub-clause 4 be omitted with a view to inserting in lieu thereof the following new sub-clause—

(4.) The Minister shall thereupon (unless he shall forthwith order the approval or adoption of such recommendation, report, or suggestion, or unless the Board shall withdraw the same), within fourteen days after its receipt, if the Parliament is then sitting, or, if not, then within fourteen days after the next meeting of Parliament, cause the recommendation, report, or suggestion, together with such reasons for its non-approval or non-adoption, to be laid before both Houses of Parliament.

I propose then to move the insertion of two new sub-clauses as follow—

(5.) If in the case of a recommendation, report, or suggestion, accompanied by such reasons as are above referred to, either House of Parliament, within thirty days after the recommendation, report, or suggestion has been laid before both Houses, passes a resolution disapproving of such recommendation, report, or suggestion, such recommendation, report, or suggestion shall not come into force, but otherwise it shall immediately thereafter be carried into effect.

(6.) The Board may, if it thinks fit, although it has withdrawn its recommendation, report, or suggestion as above-mentioned, report the matter to both Houses of Parliament either by means of a special report or by inclusion in its annual report.

These amendments are intended to deal with a difficulty that I foresee will arise in connexion with the administration of this measure. In the event of a dispute between the permanent head or the Minister in connexion with a recommendation, report, or suggestion, the only remedy the Board has is to embody it in either a special or annual report. The Board has no means of appearing before Parliament to argue the points in dispute. I have, therefore, framed these amendments with the idea of reversing the procedure, and placing the onus on the Minister. If he supports the permanent head after the latter has disregarded the recommendation, and if the Board persists in the recommendation and desires to compel the Minister to bring it before Parliament, the Board will, by the means I propose, have the power to do so. The Minister will then be able to persuade Parliament, if he has any adequate reasons, to overrule the recommendation of the Board. I feel that it is most

important that in the case of a suggestion or recommendation being made by the Board which it considers vital, it ought to have some means of bringing it immediately before the attention of Parliament. Under the old system such a recommendation would have to be embodied in a special or annual report, and would be laid on the table of Parliament, perhaps, indefinitely. In such circumstances it would be necessary for a member of the Board to approach a member of Parliament and request him to bring it under the notice of the House. If this procedure is still to be followed, it may mean that recommendations may be disregarded for years. When I previously suggested an amendment of this character, the Minister for Defence (Senator Pearce) stated that the recommendation of the Board might refer to the appointment of a messenger boy, and that such a trivial matter as that might be brought before Parliament if my suggestion were adopted. I have, therefore, modified the amendments I desire to submit to meet the position, so that it will be competent for the Board at any time to withdraw its suggestions, so that trivial matters may not be forced upon the notice of Parliament, but still reserving their rights to bring before Parliament suggestions or recommendations that are important. I feel that the Bill requires amendment in this direction to strengthen the hands of the Board.

Senator PEARCE (Western Australia—Minister for Defence) [3.16].—I cannot for the life of me understand why Senator Elliott is not satisfied with the machinery provided in the Bill, because it seems to amply safeguard the powers of the Board. It does not make the Board subordinate, either to the permanent head or to the Minister, and gives it direct access to Parliament. There is an effective way for the Board to bring differences existing between it and the permanent head or the Minister before Parliament. If Parliament is going to ignore the reports of the Board, this amendment will not improve the position in the slightest. Senator Elliott seems to think that if this machinery is set up it will strengthen the position of the Board; but, in my opinion, it will strengthen the hands of the Minister. The machinery

of the Bill gives the power of initiation in each case to the Board and not to the Minister; but the consequential amendments, which I understand the honorable senator intends moving later, gives the power of initiation to the Minister and not to the Board. If the Minister does not accept the recommendations of the Board it can report to Parliament, and it is not necessary for the Minister to take action. That is a stronger position to be in than to depend upon the action of the Minister. Under this Bill there is no opportunity for either the permanent head of a Department or the Minister to side-track or dodge any recommendations of the Board, as they either have to give effect to them or refuse to do so, and take the risk of the Board reporting to Parliament. The Minister may be called upon if Parliament thinks fit to justify his action in turning down the recommendations of the Board, and that is a better procedure than that proposed by Senator Elliott. The honorable senator has stated that he has modified his amendments to meet the position which may arise in connexion with trivial matters on which the permanent head and the Minister may not agree. He says he has now excluded these, but I do not think he has, because the machinery which he desires to embody in the Bill will operate whatever the position may be. The Auditor-General's reports operate practically in the same manner as under this Bill, with the exception that he submits only an annual report, whereas the proposed Board can report at any time, and, in addition, can submit an annual report. If some trivial matter arises, the Board may advance a point of view with which the Permanent Head does not agree, and with which, also, the Minister may not agree. Senator Elliott says the Minister must then bring the subject before Parliament, and within fourteen days thereafter, cause the introduction of a motion in both Houses to the effect that the recommendation of the Board shall not have effect. If that does not imply the employment of a steam hammer to crack a nut, I do not know what its purpose is. No one can say, after a reasonable study of the point at issue, that far more power is not proposed to be given to the Board by Senator Elliott than ever the Public Service Commissioner, or any

Board of Commissioners in any State, has possessed. This Board, while it will have general power of management, will not be, in a sense, an administrative Board. It may be that on some minor matters of administration the Board may pursue its recommendations against the opinions of the permanent head and the Minister, whereupon the machinery of Parliament would have to be set in motion in respect of an utterly unimportant matter. When one thinks of all the minutiae of the Public Service, and realizes that hundreds of trivial points may come under review of the Board, and, subsequently—possibly—of Parliament itself, one must see that Senator Elliott's proposal is not desirable. The time of Parliament may be practically wasted upon trivialities.

Senator GARDINER.—Limit its consideration to the Senate, and give this Chamber something to do. We will find time.

Senator ELLIOTT.—There is provision that "if one House disapproves."

Senator PEARCE.—The honorable senator's interjection impresses me with still another weakness in his amendment. Suppose that one House approves and another disapproves, what would happen then? An honorable senator rightly suggests that a fresh Arbitrator would have to be called in.

Senator ELLIOTT.—The same situation might arise in respect of the Arbitration Act, from which I copied my amendment almost word for word.

Senator PEARCE.—I maintain that the machinery provided in the Bill, as it stands, is ample for all purposes. We are proposing to give the Board infinitely more power than the Auditor-General possesses, and I feel sure that the provisions of the measure, as introduced, will be satisfactory.

Senator THOMAS (New South Wales) [3.24].—I support the views expressed by the Minister, although regarding the amendment from a different standpoint. If I rightly understand the object of Senator Elliott, he desires to see that any proposal which may be made by the Board shall be adopted by the Department concerned.

Senator ELLIOTT.—Unless, of course, there is very serious reason to the contrary.

Senator THOMAS.—One idea held in relation to the proposed Board is that it will be merely a Board of Advice. I hope to have an opportunity, at the third-reading stage, to point out that the Board will not be a Board of Management at all, but only a Board of Advice. What Senator Elliott desires to make of it is a Board of Management having the power to come into a Department, and to say what ought or ought not to be done. The Bill will prove to be absolutely useless, if the Government have introduced it in the hope of bringing about efficiency. With the amendment included, however, it will not only be useless, but mischievous. It will be within the rights and powers of the Board to make of the permanent head of a Department practically a clerk. The Board will be able to dictate how a Department shall be run, and that kind of thing will be bound to lead to trouble and create chaos. It is rather a strange fact that when the Public Service Act was originally before the Federal Legislature it contained a provision to give to the Commissioner practically those same powers which Senator Elliott now desires to confer upon the Board. I recall that, in another place, Sir William McMillan opposed the principle. He was a man of considerable business capacity, and had been in the New South Wales Legislature in the days when the late Sir George Reid had appointed a Board with practically similar powers. Sir William McMillan, as an influential member of the House of Representatives, was able to point out the ill-results of the powers conferred upon the Board in New South Wales. *Hansard* records that, at the request of Sir William McMillan, the Minister in charge of the original Public Service Bill, in the 1901 session, namely, Sir William Lyne, agreed to withdraw the clause which would have given these same undesirable powers to the Commissioner. I am against a Board of Management, outside a Department, having the right to come in and dictate to a Department. Neither in Mr. McLachlan's report nor in the report of the Economies Commission is there any such suggestion as the creation of a Board of Management along the lines now proposed by the Government, and there is certainly no hint of a Board

being appointed with powers such as Senator Elliott desires. It is a good thing to have a Board inside of a Department which is responsible to that Department and to Parliament. The Board to be created by the Bill will be nothing more than a Board of Advice.

Senator J. F. GUTHRIE.—Then, what will be the good of it?

Senator THOMAS.—It will be of no use whatever. I do not know whether the adoption of the amendment would achieve the object which Senator Elliott has in view, but, if so, it would certainly lead to absolute chaos in every Department.

Senator PAYNE.—Does the honorable senator mean that the creation of the proposed Board of Management must result in chaos?

Senator THOMAS.—No. If a Board of Management were appointed to control the Postal Department, for example, that would be an entirely different matter. But so long as we have the permanent head of a Department, if we appoint a Board of Management which will continually criticise him, there will be constant conflict, unless the permanent head is content to say—"I am merely an overworked clerk here, and therefore intend to allow the Board to run the Department exactly as it pleases."

Senator WILSON.—The honorable senator wishes a Board of Management to be appointed in connexion with every Department?

Senator THOMAS.—I do not. I have never supported the provisions of this Bill, but upon the present occasion I am prepared to vote with the Government, with a view to defeating the amendment.

Senator GARDINER (New South Wales) [3.32].—I have not devoted to this Bill that attention which I should have given to it, simply because I failed to see that it was likely to effect any improvement in the conditions which obtain in regard to our Public Service. Senator Thomas has convinced me that my impression is an absolutely correct one. He has said that, in its present form, the Bill represents only so much waste paper. Then it is obviously our duty to endeavour to improve it. I am inclined to think that the amendment will effect an improvement in the

measure, because Senator Thomas has made it plain to us that the Bill cannot be made worse than it is.

Question.—That the words proposed to be inserted be inserted—put. The Committee divided.

Ayes	...	...	...	6
Noes	...	...	...	17

Majority 11

AYES.

Elliott, H. E.	Payne, H. J. M.
Foll, H. S.	
Gardiner, A.	Teller:
Millen, J. D.	Wilson, R. V.

NOES.

Adamson, J.	Pearce, G. F.
Benny, B.	Plain, W.
Buzacott, R.	Reid, M.
Glasgow, Sir Thomas	Rowell, J.
Guthrie, J. F.	Russell, E. J.
Henderson, G.	Senior, W.
Keating, J. H.	Thomas, J.
Millen, E. D.	Teller:
Newland, J.	De Largie, H.

Question so resolved in the negative.

Amendment negatived.

Bill reported without further amendment.

THIRD READING.

Motion (by Senator, PEARCE) proposed—

That this Bill be now read a third time.

Senator THOMAS (New South Wales) [3.39].—Although I have been in parliamentary life for about a quarter of a century, this is the first occasion upon which I have ever addressed myself to a motion for the third reading of any Bill. On the present occasion, however, I must crave the indulgence of the Senate for a few minutes whilst I urge a few reasons why the passing of this measure should be postponed. Upon the motion for its second reading, I stressed the wisdom of delaying its passage until the principal Bill, dealing with our Public Service, had been introduced. Senator Keating and others expressed a somewhat similar view, and therefore I was hopeful that the Minister would have acceded to our request. Had he done so, we should then have had an opportunity of seeing what the principal Bill contains before finally disposing of this measure. The Minister was not prepared to accede to that request, and we are now, so far as the

Senate is concerned, on the last stage of this Bill. I voiced some objections, on the second reading, to proceeding with the measure, and the speeches I have listened to from honorable senators, and the replies made by the Minister to those speeches, have only confirmed the objections I raised.

The Bill provides for what is termed a Board of Management, but that, in my opinion, is an absolute misnomer. It should be described as a Bill to make provision for Public Service Commissioners and a Board of Advice. In no sense of the word can the Board to be appointed be called a Board of Management. It will not possess a single power in connexion with staff matters that is not possessed by the Public Service Commissioner under the existing law. In moving the second reading of the Bill the Minister for Defence (Senator Pearce) made what seemed to me to be a staggering statement, and fell into a most inexcusable error. I have no desire to misrepresent the honorable senator, and quote the following from the *Hansard* report of his speech:—

When first appointed the Public Service Commissioner had a great deal more power and more duties than he has to-day. He had authority to fix salaries in various grades, the power of classification, the power to determine conditions, rates of increments, and so on, but under the Arbitration (Public Service) Act he has practically none of those responsibilities. They have passed over to a Public Service Arbitration Judge. Under this Bill the proposed Board will be charged with the duty of fixing rates of salaries, increments, &c., but there will be a right of appeal from the Board to the Public Service Arbitrator.

In this statement the Minister for Defence seems to me to have made a very inexcusable error. If he will read the Bill and consider at the same time the powers of the Public Service Commissioner under the existing law he will find that in connexion with the matters referred to in the quotation I have made from his speech, the Commissioner under the present Act has exactly the same powers as are proposed to be given to the Board of Management under the Bill now before the Senate. In connexion with the fixing of salaries, classification, promotions, transfers, and so on; the employees have now the right of appeal from the Public Service Commissioner to the Arbitration Court. Under this Bill they will not have the right to appeal to

a Judge of the Arbitration Court, but they will have the right to appeal to the Public Service Arbitrator, provided for in a Bill which we have recently considered. So that it will be seen that the powers of the Public Service Commissioner under the existing Act, and the powers of the Board of Management under this Bill are identical.

I do not suppose that the Minister for Defence has had the time to read Mr. McLachlan's report on the Public Service, as it does not affect his Department.

Senator RUSSELL.—I can give the honorable senator the assurance that the Minister for Defence has read every line and every word of the report referred to.

Senator THOMAS.—No one would be likely to catch the Minister for Defence tripping with respect to any matter connected with his own Department; but even Jupiter sometimes nods, and it is possible that the Minister for Defence might overlook a report not dealing specially with his own Department. If he has read Mr. McLachlan's report he must have noticed that so far from the Public Service Commissioner not having power to fix salaries, grant increments, and so on, Mr. McLachlan suggests that those powers should be taken away from him, because they involve work which would be better intrusted to the permanent heads of the Departments.

The Minister will forgive me for making another reference to his second-reading speech where, in my view, he has again been led into making an inaccurate statement for which he is personally in no way to blame. He quoted the following from the report of the Economies Commission—

The Acting Public Service Commissioner admitted that he did not consider it a part of his duty to keep a check upon the economical or efficient working of Departments.

I was surprised when I heard that statement, and it is only fair to Mr. Edwards, who is the Acting Public Service Commissioner, to consider what he has to say on this matter. As honorable senators are aware, a number of officers who were criticised by the report of the Economies Commission have replied to those criticisms. The Assistant Acting Public Service Commissioner states in his reply—

The Royal Commission have misunderstood my evidence before them when they state that the Acting Public Service Commissioner did

not exercise any check upon the economical working of Departments, and did not recognise the matter of economical control to be a responsibility of his.

I may be allowed to say incidentally that the members of the Economies Commission seem to me to have adopted a strange method in preparing their report. They apparently adopted the method of having an interview with certain people, from which they drew their conclusions, but no witnesses appear to have been examined by them upon oath and no minutes of the evidence given to them have been presented to enable us to judge whether the conclusions they drew from that evidence were correct. Mr. Edwards goes on to say—

What I intended to convey in my interview was that where as a matter of policy a Department adopted a certain line of action, and required additional staff to carry it into effect, it did not come within my province to criticise the matter as one of policy.

I take it that if we appoint a Board of Management we shall not be prepared to allow the members of that Board to criticise the Government or Parliament in connexion with a matter of policy. Mr. Edwards further says—

It rests with me to recommend the number and classification of the staff to be provided for that purpose, but even in that matter the opinion of the permanent head must be given due weight, as under the Public Service Act he is responsible for the general working of the Department and for its business.

When the Minister for Defence made his quotation from the report of the Economies Commission I was not in a position to refute it, but the statement appeared somewhat startling to me, because I have always considered that the Public Service Commissioner has the right where a Department asks for, say, fifty employees, before granting them to satisfy himself that fifty are required for the economical performance of the work required to be done, and if he is satisfied that only forty or thirty-five are necessary he may grant only that number. I know that in times past heads of Departments have complained that the Public Service Commissioner has not granted them the full number of staff they require, and they have pointed out that they are responsible for carrying out the work which must be done. I do not blame the Minister for Defence for quoting from the report of the Economies Commission, but I do blame the Commission for inserting such a statement in their report, because two

Senator Thomas.

of the Commissioners, Mr. Templeton and Mr. Haldane, were members of the Public Service, and knew exactly what were the powers and functions of the Public Service Commissioner.

I am satisfied that I am correct in saying that so far as staff appointments, the fixing of wages and increments, and so on, are concerned, the powers proposed to be invested in the Board of Management are neither more nor less than those at present enjoyed by the Public Service Commissioner.

Senator PEARCE.—The honorable senator need not labour that point; I never made any such claim. The honorable senator cannot show that any words I used constitute such a claim.

Senator THOMAS.—I have pointed out that the Minister said that when first appointed the Public Service Commissioner had a great deal more power and more duties than he has to-day.

Senator PEARCE.—He had the sole authority at first, but an Act was subsequently passed giving a right of review to the Arbitration Court.

Senator THOMAS.—The Minister went on to say that the difference between the Commissioner and the Board of Management was that the Board of Management could carry out the powers at present vested in the Public Service Commissioner in connexion with the staff matters referred to, but subject to an appeal.

Senator PEARCE.—I pointed out that at the outset the Commissioner had those powers without being subject to review.

Senator THOMAS.—I have not read what the Minister said in that way, but I am still satisfied that the proposed Board of Management will not have one iota more power than the Public Service Commissioner has to-day.

Senator PEARCE.—Not over salaries?

Senator THOMAS.—That is so. I was under a misapprehension as to the remarks of the Minister; we agree now, therefore, that the Board of Management has not more power than the Public Service Commissioner in such matters. It is impossible to have efficiency in an important public Department unless those in charge of the Department have some control over officers whom they consider incompetent. I think Mr. McLachlan dealt at length with the question of the dismissal of incompetent persons. I have already stated on one or two occasions

that the proposed Board will have power only to suspend, and that persons who are suspended will have the right to approach the Appeal Board, which body will decide whether they are to be dismissed or not. In saying, previously, that, the proposed Board of Management had the right to suspend, I was in error, because the Board, if appointed, will not have power to even suspend over 30,000 employees, but over only seven or eight persons. That Board will not have the power to send employees to an Appeal Board; it will not even have the power to suspend even a messenger. Until this measure becomes law we are right in assuming that the Public Service Act is still in force, and I am therefore correct in saying that the Board will only have the powers of the Public Service Commissioner. In the event of the head of a Department, who may be receiving £1,000 a year, saying that a messenger or a letter carrier should be suspended for incompetency, and the person concerned saying that he was not incompetent, the public servant would be sent before an Appeal Board. The Board would, in New South Wales, be composed of one member receiving a salary of £198, plus £30 as an allowance, a second member receiving about £400, and a third receiving £600. If two vote for the retention of the officer in the Service he is retained. It is practically impossible to have efficiency under these circumstances. At the present time there are approximately 24,000 permanent employees in the Federal Public Service, and of that number 142 have been dismissed during the past year, including thirteen for criminal offences. Under an amending measure the Government or the Public Service Commissioner have power to dismiss a person who has been found guilty of a criminal offence; but a few years ago the Public Service Commissioner could not do that. Of the remaining 129 the services of the majority have been dispensed with without an appeal, and doubtless many of this number consisted of telegraph messengers or assistants of some kind who admitted the charge against them. Of the 129 seventeen appeared before the Appeal Board, and of the seventeen, eleven were dismissed, whilst the remaining six have been retained in the Service. Some were disgraced. In a Service consisting of 24,000 permanent officials, it

must be admitted that if in a period of twelve months only 142, including thirteen for criminal offences, have been dismissed on all sorts of charges, the Service must be efficiently conducted.

Senator SENIOR.—Does not the honorable senator think that that is creditable to the Service?

Senator THOMAS.—Yes, it must be an efficient Service. The point I endeavoured to make on my second-reading speech was that the heads of Departments have to put up with their staffs, that it is practically impossible to get a dismissal on the ground of incompetency. When it is a case of incompetency the person concerned has to go before the Appeal Board, and there have been cases where even doctors have said that a man was incompetent to carry on his work, but the Board has found him competent, and he has been reinstated. So long as the Appeal Board is in existence, and persons charged with being incompetent have to appear before it, there is very little probability of the position improving. If the Appeal Board is to deal with such cases, how can either the permanent head of a Department or the proposed Board of Management bring about the efficiency desired?

The Minister for Defence has stated that the Bill differs from the existing Act, and that the Board of Management will, under proposed new section 11, possess powers that the Public Service Commissioner did not possess. I desire to read an extract from a leading article which appeared in the *Argus* when this Bill was introduced, as it conveys, I believe, the impressions of the Minister for Defence. The article reads:—

The reform proposed for all this slackness is apparently drastic. The office of Public Service Commissioner is to be abolished, and in its place there is to be a Board of Management of three persons, who are, like the Auditor-General, to report to Parliament annually, and, unlike him, to make special reports from time to time, when deemed necessary. This Board will, in addition to other duties, be specially charged to devise means for effecting economies and promoting efficiency in the management and working of the Departments, by improved organizations and procedure, closer supervision, simplification, and co-ordination of work, abolition of unnecessary work, improvement in training of officers, avoidance of unnecessary expenditure, oversight of contracts and the obtaining of supplies, and provision of checks to ascertain whether the return for expenditure is

adequate. It is to examine critically each Department, with a view to carrying out the above instructions. Full powers are to be given to the Board to enable it to overcome any passive resistance to its reforms by red-tape devices. It has to make its recommendations in the first place to the head of the Department affected, and it may appeal from him to the Minister, and from the Minister direct to Parliament if there be no obstruction or disagreement. Complete powers for investigation are placed in the hands of the Board.

The Board of Management will have no more power to insure efficiency in a Department or to effect reforms than a debating society in Prahran, or the mock parliament in Norwood of which Senators Benny and Wilson were distinguished members. It can only investigate, report, and suggest, and the Public Service Commissioner can do the same. If the Minister for Defence had closely perused the reports of Mr. McLachlan when he was Public Service Commissioner, he would have found that he made suggestions which he thought would be for the benefit of the Service. There was nothing to prevent Mr. McLachlan from suggesting any improvements in the Service which he might deem fit. All the powers proposed to be given to this Board go only so far as the making of suggestions. Has not the Auditor-General suggested reforms year after year, from one report to another, which have never been carried out? What has been the outcome of reports and criticisms of Commissions and Boards which have been appointed to investigate Departments? Honorable senators know well that unless the Commissioner concerned has been actually in the Department to carry out his own recommendations, no action has been taken.

Let us examine the actions which followed upon the criticisms of the Economies Commission. This body was appointed by the Government to inquire into the various Departments and to suggest how they could be run more satisfactorily. The result was that no sooner had criticisms been made than the departmental heads concerned, as well as the Ministers responsible, made ardent replies. The experience has been that no sooner is a criticism launched than the Department involved is up in arms. Honorable senators will recall the experience with respect to the Defence Department. Senator Pearce, as a member of

the Government, took his share of responsibility in the appointment of the Royal Commission which so severely criticised his Department. The Commission made many recommendations, and passed severe strictures. Then I heard Senator Pearce, as Minister for Defence, moved to impassioned eloquence in his effort to show that the statements of the Commission were inaccurate. The Minister stoutly defended his Department. That has been the experience in all similar situations. The Economies Commission even desired to investigate whether or not the Senate was spending more money than it should do. Immediately such an attempt was made, the President came to the rescue of the Senate—shall I say—and practically defied the Commission to enter. It is not every Department that can defy a Government-appointed organization in the matter of a proposed investigation. The Economies Commission examined several Departments and, so far as the Defence Department was concerned, this particular body had not much of an adverse character to say. But, so far as the criticisms of the Royal Commission were concerned, I repeat that Senator Pearce rose to an impassioned defence.

Senator PEARCE.—My defence was rather an attack on the press because it had not published the favorable portions of the report, but only the unfavorable parts. I recommended the Government to adopt the recommendation for the appointment of a Business Board.

Senator THOMAS.—Of course. It would have been difficult to have done anything else, in view of the nature of the criticisms; but the Minister for Defence, quite rightly, no doubt, stood up for his own Department and its officers. In the course of his second-reading remarks upon this measure, the honorable senator quoted extensively from the Economies Commission, and he said—

It will be admitted from these criticisms of the Economies Commission, that the members did not approach the Public Departments in any hostile fashion. They have recognised the good and efficient service that was in many cases being given. It was rather with the system than with those who were carrying it out that they found fault.

That is the verdict of the Minister for Defence, rendered in respect of a Commission which had not severely criticised his own Department. But have honorable senators read the statements of the

ex-Postmaster-General (Mr. Webster) and his leading officers in respect of the Economies Commission's criticism of the Postmaster-General's Department? Mr. Webster was almost moved to tears. He spoke of the Commission going about and doing its work in a malevolent spirit. He said, in effect, "I, who have saved some £500,000 during the time that I have been here, am told that my Department is actually accused of extravagance!" Mr. Webster put up a very strong case to show why he and his officers should not have been criticised. This is what Mr. Oxenham, the head of the Department, said of the Economies Commission:—

I desire to say that while a service of over forty years in the Postmaster-General's Department has accustomed me to a variety of criticism, as well as a great deal of misrepresentation, regarding the Department's methods and management, its actions, and its officers, the limit in this latter respect has surely been reached in the first progress report of the Economies Commission. The methods of the Commission, too, in so far as their relations with this Department are concerned, are repugnant to all ordinary notions of justice and fair play, as I feel sure every one will agree who reads what I have to say on the subject.

That is more than a criticism of the Commission; it is an expression of censure on the Government, to begin with. The Government appointed a body to make an investigation, which, however, did not know how to go about its work. I sympathize a good deal with the officers who saw fit to reply to the statements of the Commission. The Commissioners were juniors, dealing with their superiors in the Service. If their criticisms were correct; if the Government were right in asking subordinates to deal with those in higher positions, then those subordinates should have filled the positions of those whom they had so severely criticised. I stress this fact, that immediately a Department is criticised by an outside Board or Commission, the Minister concerned, and his officers, reply with a strong defence.

The PRESIDENT (Senator the Hon. T. Givens).—Order! I have listened for a long time to the honorable senator's remarks concerning the Economies Commission. I do not think the making of a third-reading speech should be availed of as a mere opportunity upon which to hang a criticism of the report of the Economies Commission.

Senator THOMAS.—I bow to your ruling, sir. In referring to this Commission by way of illustration I admit that I am occupying rather considerable time, but I am only endeavouring to show that a Board of Management, which can do no more than advise—

Senator SENIOR.—Will be placed in the same position, so far as the criticisms of heads of Departments are concerned, as was the Economies Commission.

Senator THOMAS.—Exactly. And it is rather an important point. However, if the President holds that I may not continue along that line of argument I shall have to cease.

The PRESIDENT.—The honorable senator will be perfectly in order in referring to any matter by way of illustration; but I listened to his remarks for a long while, and it appeared to me that they amounted largely to a disquisition on the findings of the Economies Commission.

Senator THOMAS.—It is not my intention to discuss the report of that body except by way of illustration, and, if I occupy a little longer upon that illustration than might, perhaps, be deemed necessary, I take it that that, after all, is a matter for myself.

I repeat that Ministers and heads of Departments, when they are attacked from an outside source, will naturally defend themselves. That is what will occur if the proposed Board of Management enters the Departments. I have much sympathy with Mr. Bright in the remarks which he made when criticisms were levelled at him. He immediately set forth reasons why he had been criticised, and mentioned that one reason was that a certain critic had not received an appointment when he considered he was entitled to it. The Departments will fight as bitterly as possible any suggested reform which does not emanate from themselves. All big institutions such as banks and commercial houses are naturally conservative, and are slow to effect reforms. In exactly the same way our Public Service Departments are slow to initiate reforms, but when they are attacked they hit back with the energy of a steam hammer and all the pertinacity of a debt collector. In replying to the recommendation of the Economies Commission, that telegrams passing through an intermediate State

should be charged an additional 3d., Mr. Webster said—

This problem has been under consideration, and a Bill has been in print for four years. I have amended its terms, and only await authority to proceed. This measure, I think, is more equitable than the proposal of the Commission. Here is a reform which has been hung up for four years. The late Postmaster-General was in favour of it, as was also the permanent head of his Department, and yet nothing had been done to give effect to it. That being so, how long would be occupied in giving effect to any suggestion by the Board of Management to which the Minister and the permanent head of his Department were opposed?

I object to the passing of this Bill for the reasons which I have already advanced. But the Minister for Defence has not yet intimated what Departments will come within its purview. Of course, all those Departments which are now under the control of the Public Service Commissioner will naturally do so. But I understood the Minister to say that the Defence Department will not come within its scope.

Senator PEARCE.—I said that other Departments will be brought within the scope of the Bill, and in that connexion I instanced the Defence Department.

Senator THOMAS.—Does the Minister mean that the military side of his Department, as well as the civil side, will come under it?

Senator PEARCE.—Not the military side.

Senator THOMAS.—If the military branch of the Defence Department were to be brought under it, I imagine that there would be a good deal of fluttering in the dovecot. I have a vivid recollection of the occasion upon which the Minister for Defence introduced into this Chamber a Bill the object of which was to transfer a number of officers in the civil branch of the Defence Department from the control of the Public Service Commissioner to that of a Business Board. The reason which he assigned for this step was that, under the Public Service Act, it was impossible to dismiss an employee, and that, therefore, it was quite impossible to secure efficiency. Seeing that the members of the civil side of the Defence Department are to be brought within the scope of this measure, does the Minister's statement mean that those employees in his Department who

are now under the control of the Business Board will be placed under the control of the proposed Board of Management?

Senator PEARCE.—Yes.

Senator THOMAS.—Then I take it that the same thing will apply to the employees of the Repatriation Department. Evidently the Government themselves are not too sanguine as to the success of this measure.

A few days ago, when I asked the Minister why it was proposed to appoint one member of the Board for five years, another for four years, and a third for three years, he replied that the creation of the Board was in the nature of an experiment. I admit that it is an experiment, and Ministers are not at all sure that this experiment will prove a success. I quite recognise that the Public Service problem is a very big one, that it is not easy to insure a maximum degree of efficiency and to provide public servants with permanent employment. America, Canada, and other countries have been endeavouring to solve this problem, and if we substituted Sydney for London, and Melbourne for Manchester, we might easily imagine that the reports upon it which have been prepared there really related to Australia. However, I do not regard the problem as an insoluble one. But it will not be solved by a Government which has no confidence in the Public Service measures which it submits for our consideration, and which brings down only piece-meal legislation. If the proposed Board of Management were vested with power to dispense with incompetent employees and to adequately reward those members of our Public Service who are possessed of the necessary qualifications, the Bill might achieve some good. But, in its present form, the Board will not be able to appoint a permanent head of a Department; yet the inefficiency of a letter carrier or a telegraph messenger of which I have spoken is as nothing compared with the inefficiency of the permanent head of a Department. Nor will the Board be able to dismiss the permanent head of a Department. It will not be in a position to go to any officer who is rendering good service and to say to him, "We intend to pay you more than you have been receiving, because of your efficiency." I am not an unqualified opponent of the Bill, and I would be quite content if the Minister would consent to defer its passing until

the principal measure relating to our Public Service had been introduced. But should he press for the third reading of the Bill to-day, I shall not hesitate to vote against it, even if my action results in its abandonment.

The PRESIDENT (Senator the Hon. T. Givens).—Order! The honorable senator's time has expired.

Senator THOMAS.—In conclusion, I merely desire to say that the Bill is incapable of effecting any improvement in our Public Service, and is foredoomed to failure.

Senator SENIOR (South Australia) [4.39].—I agree with a good deal of what Senator Thomas has said regarding this Bill. If the proposed Board of Management were vested with the requisite powers we might reasonably anticipate that an improvement would be effected in our Public Service. But the substitution of a Board consisting of three members for a Public Service Commissioner will not achieve anything. However, my greatest objection to the Bill is that we are now asked to legislate upon our Public Service without any knowledge of the provisions of the measure under which the proposed Board will be required to act. If experience has proved that it is necessary to make a change, we should be satisfied that our legislation will really give effect to the change desired. We are merely fiddling while Rome is burning, if all that we do is to appoint three persons to take the place now filled by one without giving them any more power. If we could show the relation of this Bill to the main Public Service Bill, we might be able to do something, but we have started on a journey without knowing where it is to end. We have been asked to do something, and we do not know whether it is to build a mansion or to construct a dyke. Various complaints emanated from permanent heads and employees of the Public Service concerning the provisions of the existing law, but there is no attempt made in this Bill to deal with those complaints. When the main Public Service Bill comes before us for consideration, we may discover that it is absolutely necessary to give the Board of Management more power than is conferred upon it by this Bill, and that will involve the consideration of the whole matter over again. I strongly enter my protest, as a member of the Senate, against the method

adopted by the Government for legislating upon this question. We should first have considered the principal measure dealing with the Public Service, and we could then have adapted the Bill, making provision for a Board of Management, to the provisions of the principal measure. We have begun at the wrong end, and it must, I think, appear to the general public that we are proceeding backward rather than forward.

Senator FOLL (Queensland) [4.44].—The views expressed by Senators Thomas and Senior were expressed by me at an earlier stage of this Bill. It seems to me that under the main Public Service Bill, Departments which are not now under the control of the Public Service Commissioner may be brought under the Public Service Act, and they will then come under the control of the Board of Management. In this connexion Senator Thomas referred to the Repatriation Department. I mentioned last week the need for some statement by the Government as to the attitude to be adopted so far as the Repatriation Department is concerned. At page 88 of his able report on the Public Service, Mr. McLachlan has this to say, as to the advisability of bringing the Repatriation Department under the Public Service Act—

The largest Department which would come within the category of the provisional service is the Department of Repatriation, established under the provisions of the Repatriation Act, which confers power on the Minister to make appointments for the purposes of the Act. The number of employees of this Department is 512. It is believed that advantage would accrue to the Department if the responsibility of making appointments (subject always to preference to returned soldiers), classification, fixing rates of payment, and dealing with inefficient, incompetent, or unsatisfactory employees were vested in the Public Service Commissioner in the manner proposed. This Department is still in its initial stages, and with the development of repatriation activities will come added administrative responsibilities which will render it highly desirable that the Minister, the Comptroller of Repatriation, and the Deputy Comptrollers in the several States shall be relieved of the burden of work inseparable from questions of *personnel* of staffs, and be given full freedom to deal with the problems of repatriation. The Public Service Commissioner, with the machinery at his command, should be better able to deal with the details connected with appointments and the other matters indicated than the responsible officers of the Department, whose time and attention must necessarily be largely concentrated upon the important duties intrusted to

them in carrying out the provisions of the Repatriation Act. Internal management should, as at present, be a matter for the administrative officers, and there should be a clear line of demarcation between their functions and those of the Commissioner in dealing with staff matters. The immense difficulties connected with the problems of repatriation and the initiation and extension of staff organization are recognised, and it is considered the application of the general proposals made as to the provisional service will be of material advantage in the future administration of the Department.

I do not say that I altogether agree with Mr. McLachlan, because I regard the Repatriation Department as one which in the course of time, when its work has been satisfactorily accomplished, will cease to exist. There are some branches of the Department, such as that dealing with war service homes, which must continue to operate for some years to come.

Senator THOMAS.—Mr. McLachlan's report is two years old, and since it was written, the Repatriation Department has been placed under a Board.

Senator FOLL.—That is what I am coming to. Boards have been appointed to control various Departments, and I should like to know what their position is to be in the future. They should be responsible for the management of the Department over which they have been given control, and there should not be another Board appointed over them. If Departments that are not at present under the control of the Public Service Commissioner are not to be brought under the control of the Board of Management, what is the reason for appointing three men to do the work that is now done by one? If, in the main Public Service Bill, it is not the intention of the Government to bring under the control of the Board of Management a greater number of employees than are now controlled by the Public Service Commissioner, what is the justification for appointing three men to do the work now done by one? I venture to say that the Public Service Commissioner has not, in the past, been so overworked that it is necessary to appoint three men to do his work. If the Government desire the appointment of a Board to inquire into the working of the Public Service Departments generally, as laid down by this Bill, they should not be charged with the duties which now devolve upon the Public Service Commissioner. If the Government desire to have a Board carrying out investigations

on the lines of those carried out by the Economies Commission, concerning the working of Departments, contracts and so on, I venture to say that the duties of such a Board are not duties which should be intrusted to persons appointed to take the place of the Public Service Commissioner. As Senator Senior has pointed out, we are asked to deal in three Bills with matters that should be dealt with in one. Instead of having an opportunity to discuss all questions connected with the Public Service at one time, we are asked to take three bites at the cherry. The more I look into this Bill, the stronger the reason appears to me to be for adopting the suggestion of Senator Thomas, that the third reading should be delayed. In spite of the able manner in which the Minister for Defence (Senator Pearce) has taken charge of the Bill, and has opposed all amendments of it. I do not believe that the honorable senator is in favour of the measure. We know that when a Minister submits a Bill to Parliament, he does his utmost to carry it through without alteration. Senator Thomas asked a very pertinent question as to the position which employees of the Defence Department would occupy under the Board of Management. We should have an answer to that question. In my view any member of the Senate would be justified in moving that the further consideration of the Bill should be postponed until such time as we have dealt with the main Public Service measure. If any honorable senator will move in that direction, I shall have very much pleasure in giving him my support.

Senator J. D. MILLEN (Tasmania) [4.54].—I have only to say that I think that most of the speeches which have been made on the motion now before the Senate should have been made on the motion for the second reading of the Bill. A great deal of the time of the Senate has been taken up in its consideration, and we are now apparently being asked to go over the whole matter again. I trust that the Board of Management is going in for efficiency, and I intend to support the appointment of it.

Senator WILSON (South Australia) [4.55].—I am glad the Government introduced this measure at such an early stage, because it is of great importance; but before we are asked to pass it

we should be given some indication of the powers the proposed Board are likely to possess. The Government will be fortunate if they are successful in obtaining the services of three highly competent men to comprise the Board; but if the Board has not power to recommend changes in administration which will tend to economy, very little advantage will be gained. It is not likely, however, that suitable men will offer their services unless their powers are clearly defined. The Minister for Defence (Senator Pearce) has stated that the powers of the Board will be defined in an amending measure to be introduced later. I shall be exceedingly sorry if I am compelled to vote against the third reading of this Bill, but I cannot support it until I know what the powers of the Board are to be. Many instances have been cited where it has been almost impossible to dispense with the services of public officers who have been found to be incompetent. Notwithstanding this, we find in proposed new section 11 that, although far-reaching powers are given to the Board to make inquiries, the old system of reporting to some other authority still remains.

Senator THOMAS.—The Public Service Commissioner has that power at present.

Senator WILSON.—Exactly, and unless we increase the powers that are now possessed by the Public Service Commissioner this measure is valueless. It really means the formation of another Department, which will cost a great deal of money without increasing efficiency, and unless the proposed Board has the power to deal with the Service in an effective manner honorable senators are not justified in supporting the third reading.

Senator J. D. MILLEN.—Will the honorable senator go through the same arguments again when the Government bring in the other measure which has been mentioned?

Senator WILSON.—When the amending Public Service Bill is introduced we shall probably know what powers the proposed Board are to possess. We may appoint suitable men as members of the Board, but until we know the powers they are to be given we are merely wasting time. The Government proposal is really to establish an Advisory Council, and if they are desirous of obtaining advice, honorable senators will be quite prepared to give them all they require

without incurring the expense of a Board. I am not in favour of supporting the appointment of a Board that will be costly to maintain and which will be the means of merely giving the Government information which is in the possession of every member of the Ministry at the present time. Every one admits that economy and increasing efficiency are demanded, and we are merely appointing a Board to tell the Government something they already know. If the Board had the power to prove that some men, even heads of Departments, who are as full of knowledge as an egg is full of meat, should be dispensed with some good would be achieved. The Board should have authority to deal with all officers of the Public Service, irrespective of position, and I ask the Minister for Defence to defer the question of the appointment of a Board until he is in a position to say what powers it is to be given. If the powers are sufficient the Government will have my most loyal support, as it is my desire to assist in every way possible to bring the Service to a higher state of efficiency.

Senator PAYNE (Tasmania) [5.0].—When this measure was first introduced, I understood the Minister for Defence (Senator Pearce) to say that it was a genuine attempt to bring about greater efficiency and economy in the Public Service. I am very pleased to learn that since the Senate last met honorable senators have given the measure very careful consideration. Any legislative effort which will not insure efficiency and economy at this stage of our national history is doomed to failure, and should not have our support. The proposed Board of Management has the power only to advise—that cannot be refuted by the Minister—and is merely an advisory council to make recommendations to the heads of Departments and to the Minister. Every State in the Commonwealth has recognised the need for greater efficiency in their Public Services, and with the heavy financial liabilities that are facing us at present there must be economy in every public Department. In one State, with which I was intimately connected for many years, it was felt that it was absolutely necessary to amend legislation in the direction of obtaining efficiency and economy. But the provisions that

were made were entirely dissimilar to those embodied in this Bill, because power was given to the Commissioner to adopt efficient methods, and not merely to advise. Seeing that another Bill is to be introduced which will contain the whole of the machinery for effectively managing the Public Service, I feel that we are wasting time in discussing a measure of this character. The measure foreshadowed should have been before us at the same time, and I suggest that the third reading of this Bill be held over until it is before us. If that were done, it would be impossible to harmonize the provisions of the two measures, and for that reason I support the attitude of other honorable senators who have preceded me.

Senator GARDINER (New South Wales) [5.6].—I shall follow the example set by Senator J. D. Millen, and be brief. I have followed the discussion on the third reading, and have taken a little part in it because I cannot conceive the purpose for which it has been introduced. After reading sub-clause 4 of proposed new section 11 it would appear that the proposed Board will have power to report to the permanent head, and, if the permanent head does not take action, it may report to the Minister. It then goes on to provide that, if the Minister does not take action within reasonable time, something else may be done. What is the use of legislating in this manner? Does it matter whether we pass the Bill now or six months hence? If the Government desire to pass it in its present form, it is their responsibility. The Public Service is dissatisfied, and the Government have an opportunity of introducing a measure that would give general satisfaction. I do not join with some honorable senators in a general condemnation of the Service, but there is certainly room for more efficient and economic working in many Departments than exists to-day. This Bill does not provide for efficient working, and apparently the draftsman did not have a very clear conception of what is required, as he has merely gone on moving the authority from one body to another. Realizing that no good will result from the passage of the Bill, I have briefly expressed my opposition;

and, if the third reading is pressed to a division, I shall vote against it.

Senator PEARCE (Western Australia—Minister for Defence) [5.7].—I have very little intention of replying to the criticisms that have been launched this afternoon, because they have not been arguments against the provisions of this Bill, but against the Public Service Act, and with the greater part of such criticisms I agree. Honorable senators know that the Government intend to bring in a Bill this session to amend the Public Service Act, and that that measure will not affect this Bill at all.

Senator THOMAS.—But it does.

Senator PEARCE.—No; because whether we have an amending Bill or the Public Service Act as it is to-day, a Board of Management is required.

Senator THOMAS.—That is not the point.

Senator PEARCE.—The Government say that the Board of Management is required, and if the principal Act is amended or not, a Board is necessary, because of the powers contained in proposed new section 11.

Senator THOMAS.—What are they?

Senator PEARCE.—Paragraphs viii and ix of sub-clause 1 read—

In addition to such duties as are elsewhere in this Act imposed on it, the Board shall have the following duties:—

(viii) the advising upon systems and methods adopted in regard to contracts and for obtaining supplies, and upon contracts referred to the Board by a Minister; and

(ix) the establishment of systems of check in order to ascertain whether the return for expenditure is adequate.

(b) to submit to the Governor-General reports as to any matters requiring to be dealt with by the Governor-General under this Act, or referred to it by the Governor-General;

(c) to examine the business of each Department and ascertain whether any inefficiency or lack of economy exists;

Under the present Act there is no power to ascertain whether money is being judiciously spent or whether value is being obtained for expenditure incurred, and this Bill is for the purpose of supplying that omission. The criticism has been against the existing Public Service Act, and the Government are just as anxious as are honorable senators to have

that amended at the earliest possible moment; but that is a bigger contract. If a Board of Management is desired, honorable senators should support the passage of this Bill. If the main amending Public Service Bill is passed or not, a Board of Management will still be required.

Senator FOLL asked what would happen if one made two bites at a cherry. I can only reply that if the cherry happened to be unripe the party making the bites might have to call in a doctor. Here, however, we are not making two bites. We are dealing with a subject which stands by itself, irrespective of the question of the amendment of the Public Service Act. No one can read the reports of the Public Service Commissioners which I have quoted, and—knowing anything at all of Government Departments—can fail to realize the absolute necessity for that which this Bill proposes to bring about. I have stated, in respect of the Defence Department, that the position, following upon the establishment of the Business Board, proved ever so much better for myself as Minister. The Board was composed of men who were not public servants, but were keen business men, prepared to give their best advice, from a business point of view, upon such matters as contracts and supplies, and they saved the country a large amount of money. That will be the experience of all Departments, as an outcome of the appointment of this Board of Management.

Senator J. F. GUTHRIE.—Is there not a Supply and Tender Board at present?

Senator PEARCE.—There is, but that is a Board composed of public servants, and its duties are specific and confined. Instead of the Defence Department, and the Navy Department, and various other Departments, calling separately for tenders for supplies of such things as stationery, for example, the Supply and Tender Board ascertains the quantities required by all Departments, and calls for one tender for the whole. The Board under this measure, however, will have an infinitely greater scope of duty. It may be able not only to find out different sources and methods of supply—so saving thousands of pounds to one Department alone—but may be able to discover whether the way in which the Department is using those supplies is economical. That is merely one phase

of activity with which the Board may concern itself.

Senator THOMAS.—In addition to all of which it will deal with civil servants.

Senator PEARCE.—Yes, and that is the justification for the appointment of three to the Board.

I desire, before concluding, to correct a slight misunderstanding on the part of Senator Thomas. He remarked just now that the Defence Royal Commission reported upon the Department, whereupon I passionately attacked the Commission's report. Nothing of the kind occurred. My attack was upon the press, which published the unfavorable portions of the report and suppressed the favorable parts. I pointed out that the Commission had reported favorably upon three-fourths of the expenditure of the Defence Department, which the press had suppressed, and had reported unfavorably upon one-fourth of its expenditure. I fully concurred with the Commission's recommendation, that a Business Board should be appointed, and I, personally, brought the matter before the Cabinet, whereupon the recommendation was adopted.

I cannot understand the opposition of honorable senators who, because they are dissatisfied with the present state of affairs, are prepared, apparently, to lay this measure aside. If they believed that there is scope and opportunity for the Board to do good in the Public Service, they can accept the principle and agree to the passage of this Bill, without in any way prejudicing their rights and intentions for improving the Service generally, when an amending Public Service Bill shall have come under their attention. And, if honorable senators desire to extend the scope and powers of this Board, it will be in relation to the amending Public Service Bill that they will be afforded an opportunity to do so. This measure, so far as it deals with the powers of the Board, covers the whole position within proposed new section 11. Does any honorable senator object to the powers there set out?

Senator PAYNE.—The proposed new section is not definite enough.

Senator PEARCE.—It does not deal with the staff; but, in relation to that matter, the honorable senator will have his opportunity when the amending Public Service Bill is before the Senate.

Senator PAYNE.—Proposed new section 11 gives no power for the Board to do anything more than report.

Senator PEARCE.—There, the honorable senator is at fault. If a contract is referred to the Board, and it reports, after investigation, that the contract has been badly drawn, and would result in loss, would not its recommendation in that respect be of value? When moving the second reading of this Bill I gave an instance of one contract affecting close on half-a-million sterling per annum, upon which, as Minister for Defence, I would have been compelled to come to a decision inside of a couple of hours. Since there was a Business Board operating within the Department, however, I referred the contract to that body. It devoted three months to the subject, and went into its every phase before making a recommendation. Does Senator Payne say that, because it was merely a recommendation, it could have had no value? Do honorable senators suggest that a Minister and the head of a Department would be such fools and idiots as to set up an attitude of passive resistance in respect of any and every recommendation of the Board? Here is a Board which will have authority and time to enter all Departments. It will not be interested merely in backing up its own recommendations. It will be called upon to give independent judgments upon matters of great importance, involving, in many instances, no doubt, considerable expenditure. Would not any Minister and head of Department listen very carefully, and, if possible, approve of the studied recommendations of such a body? If he failed to do so, the Minister might jeopardize his position when the report of the Board came before Parliament, showing how recommendation after recommendation, made in the interests of economy, had been officially turned down.

Senator FOLL.—If there had not been a Business Board in the Defence Department there would still have been skilled officers who would have been able to advise in the matter of contracts.

Senator PEARCE.—Skilled men who, however, would have been able to give only an hour or two—just as, I myself, would have had to do—whereas the Board was in a position to devote three months to the matter in question.

Senator THOMAS.—Does the Minister suggest that the Board of Management will be able to spend three months over any one item which may arise?

Senator PEARCE.—Since the Board will not be smothered, and bogged with masses of papers and administrative details, it will have infinitely more time than a Minister or a head of a Department to devote attention to a matter as it arises. I hope that honorable senators, however keenly they may have criticised the measure, will now assist the Government in passing it.

Question put. The Senate divided.

Ayes	15
Noes	5

Majority	10
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AYES.

Bakhap, T. J. K.	Newland, J.
de Largie, H.	Pearce, G. F.
Elliott, H. E.	Plain, W.
Glasgow, Sir Thomas	Reid, M.
Henderson, G.	Rowell, J.
Keating, J. H.	Russell, E. J.
Millen, E. D.	<i>Teller:</i>
Millen, J. D.	Benny, B.

NOES.

Gardiner, A.	Wilson, R. V.
Guthrie, J. F.	<i>Teller:</i>
Thomas, J.	Payne, H. J. M.

PAIRS.

Buzacott, R.	Foll, H. S.
Crawford, T. W.	Senior, W.

Question so resolved in the affirmative.
Bill read a third time.

INDUSTRIAL PEACE BILL.

Bill received from the House of Representatives, and (on motion by Senator RUSSELL), read a first time.

NATIONALITY BILL.

SECOND READING.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.26].—I move—

That this Bill be now read a second time.
The reason underlying its new title is that it deals both with aliens and nationality, though it is essentially related to naturalization. There was a time, prior to the war, when British people were accustomed to regard the question of naturalization as merely an academic one, and one which they took

very little interest in. But, owing to the difficulties which were encountered during the war period, it is to-day regarded as a question of vital importance. This measure is not designed to unnecessarily harass people, but the time will never come when we shall be in a position to abandon our right to prevent any undesirable entering the Commonwealth.

The provisions of this Bill are of a very humane character, especially in regard to the treatment which is to be meted out to women and children. In Australia, for quite a number of years, each State enacted its own naturalization laws, and there was no recognition by any State of the naturalization certificate issued by another State. Thus, a Swede who was naturalized in New South Wales found that his certificate was not recognised in Victoria, notwithstanding that he had been de-nationalized in Sweden. But, in 1903, some approach to uniformity in alien legislation was brought about by the Commonwealth Parliament, although there still remain one or two little weaknesses which have not yet been cured. Naturalization certificates, however, are now recognised throughout the entire Commonwealth.

The experience gained during the past few years evidences the absolute need for a uniform naturalization certificate, not perhaps in respect of details, but certainly in regard to all main principles. For a number of years, conferences have been held with a view to devising a means by which to deal with this problem within the Empire. As a result, representations were made to the Imperial Government with the object of inducing it to pass a Naturalization Act which should apply to the whole of the Empire. However, wiser counsels prevailed, the invitation was declined, and the Dominions were thus left perfectly free to legislate as they chose upon all questions of this description. But, in 1917, the British Parliament enacted legislation relating to naturalization, and Part III. of the Act which it then passed corresponds to Part II. of this Bill. Under that Part we shall be enabled to recognise a uniform naturalization certificate issued within the Empire. That is to say, that, by legislating along certain lines and adopting certain principles, our certificate of naturalization will be recognised throughout the length

and breadth of the British Empire. Canada has already adopted those principles, and doubtless New Zealand and South Africa will follow her example.

Senator KEATING.—Is it proposed that naturalization in Australia shall be recognised as naturalization in any part of the British Empire?

Senator RUSSELL.—In any part of it where similar legislation has been enacted. The certificates of naturalization will then be mutually recognisable. But, if a Chinaman were naturalized in Canada, honorable senators must not assume that he would have a right to enter the Commonwealth. We shall still retain the right, under our Aliens Immigration Act, to exclude anybody whom we may choose to exclude. There are, however, many aliens who may be admitted. The British Government, I repeat, declined to give effect to the recommendation that it should legislate upon this question for the entire Empire. It is certainly a triumph for Australia that its policy has the full backing of the Imperial Government. In 1917, the Act was still further amended in Great Britain. In Australia we have made one or two additions to the War Precautions Act for the purpose of meeting special conditions which arose during the war. But now that the war is over, and the world is becoming more normal every day, we need permanent legislation on this matter.

We also require a very much clearer definition of what constitutes a British citizen, and what constitutes an alien. I have already said that the measure deals with the naturalization and rights of British women. That portion of it appeals to me as being specially commendable, because I know that some very hard cases have arisen in this connexion. My admiration has been aroused on more than one occasion by the fidelity of British women, who, having married aliens, were prepared to go anywhere with them—even to Germany. Of course, a British woman, upon marrying an alien, at once assumes the nationality of her husband. Under this Bill, it is provided that, in the event of an alien who has become a British subject resuming his former nationality, the woman, by declaring that she desires to remain a British citizen, will be free to do so. Then, again, there were quite

a number of persons in this country— young men and women—who believed that they were naturalized by the rights of their fathers. In such cases, provided that they have a clean record, and that their failure to become naturalized was the result of ignorance, it is proposed to grant them certificates of naturalization right up to date. There is still another class in which a doubt exists as to a man's nationality. It is truly marvellous the number of complications that have arisen in this connexion. Some of these men, whilst believing that they were British citizens, could not produce any clear evidence upon the point. In such cases, where the men are of good character, the Minister is empowered to issue naturalization certificates.

Senator KEATING.—Will the Minister or the Governor-General have that power?

Senator RUSSELL.—The Governor-General in Council. In Great Britain, the power is nominally in the hands of the Secretary of State for the Colonies, but in practice it is in the hands of the Government.

The Bill further contains provision for dealing with cases in which aliens who have been naturalized desire to resume their old nationality. Of course, a measure of this description can be much better dealt with in Committee. It represents an attempt to make the law regarding the naturalization of aliens within the British Empire as uniform as possible. I have previously remarked that in its treatment of women the Bill is the most humane and liberal that I have ever read. Under former naturalization laws, it was possible for a man to become naturalized in Australia after two years' residence; but under this Bill he will require to be a resident within the Empire for five years. In other words, he may live in Canada for four years, and in Australia for one year, and may become naturalized after twelve months' residence here, provided that he has lived within the British Empire for four out of the last eight years of his life. That seems to me to be a fairly liberal provision. I think it is not unreasonable to insist that a man of alien birth should have been at least twelve months in the country before he can claim to be naturalized. In view of all

the trouble and difficulty we have had in connexion with naturalization during the war, we are not, I think, attaching too much importance to British institutions in imposing such conditions upon the naturalization of aliens.

It is not necessary that I should speak at greater length on the second reading of the Bill, since every clause may be the subject of debate when we get into Committee.

Senator GARDINER.—Will a naturalized New South Welshman, who has been naturalized for the last twenty or thirty years, be required to take out a fresh certificate of naturalization under this Bill?

Senator RUSSELL.—No; but he will be given, in exchange for the certificate he now holds, a full certificate of British naturalization.

Senator GARDINER.—Must he apply for the full certificate before he will be regarded as a naturalized citizen of New South Wales?

Senator RUSSELL.—All existing rights are preserved. What is proposed in this Bill is the issue of a much wider certificate than any issued by New South Wales hitherto, or by the Commonwealth; and a man already naturalized in New South Wales or in the Commonwealth will be able to exchange his existing certificate for one giving him the rights of British Empire citizenship. I think that that will be appreciated very much by those who now hold the more restricted certificates of naturalization. Some persons, of course, will be under certain disabilities. For instance, a man proved to have been guilty of trading with the enemy during the war, or to have been engaged in correspondence with the enemy, or to have helped the enemy to the detriment of the Empire, will not be granted naturalization under this Bill. I think it will be admitted that it would not be fair to grant naturalization to such persons. There is a big principle involved in naturalization for the protection of British institutions, but it is not desired to exclude from this country people who come here under proper regulations and conditions. It will be found that this measure has been conceived in the most liberal spirit. We are asked, in common with the rest of the Empire, to act generously in making provision for the naturalization of aliens.

Senator J. D. MILLEN.—Are we to understand that this Bill is similar to that which has been passed in Canada and other Dominions of the Empire?

Senator RUSSELL.—I understand that Canada has passed a similar measure. I believe that South Africa and New Zealand have agreed to adopt similar legislation, modified to meet local circumstances. The basic principles of naturalization will be uniform throughout the Empire, but legislation by the Parliament of each part of the Empire is necessary to give effect to them. Suppose that Great Britain, Canada, Australia, and New Zealand passed this legislation, and South Africa did not do so, then certificates of naturalization could not be exchanged between South Africa and Australia, or the other parts of the Empire in which this legislation has been passed. It is hoped, however, that all parts of the Empire will come into line, and that we shall have a uniform certificate of naturalization throughout the Empire.

Debate (on motion by Senator GARDINER) adjourned.

ADJOURNMENT.

RESOLUTIONS OF TASMANIAN PUBLIC SERVANTS.

Motion (by Senator E. D. MILLEN) proposed—

That the Senate do now adjourn.

Senator KEATING (Tasmania) [5.43].

—A few weeks ago, the public servants in Tasmania held a very large meeting in Hobart, at which very important resolutions were passed. They were forwarded to Melbourne for submission to the Prime Minister (Mr. Hughes). I was requested to arrange for their presentation, and with other honorable senators and members of the House of Representatives, representing Tasmania, I eventually succeeded in securing an appointment with the right honorable gentleman for that purpose. No one can understand better than I do the difficult position in which the Prime Minister is placed. Very few people realize the pressure of public business upon every moment of his time. It was only with very great difficulty that we were able to arrange for a very small portion of his time for the reception of the resolutions to which I refer. I might say

that we probably would not have been successful in securing the appointment at all if it were not for the fact that I assured the Prime Minister that we would not encroach upon his time by making speeches. The resolutions were presented after Tasmanian representatives in both Houses had been assembled for the purpose. Unfortunately, since then, nothing has been received by way of reply beyond a formal letter to me from Senator Russell written as acting on behalf of the Prime Minister. I understand that the Prime Minister is now away in Sydney. I endeavoured to see him several times recently with the idea of getting some further reply. I have risen now for the purpose of asking Senator Russell if he will take the very earliest opportunity to press upon his right honorable colleague the importance of having some reply given to the resolutions. We who are members of this Parliament recognise that the Prime Minister cannot be expected to reply straight away to representations made to him, but I hope that Senator Russell, who acted on his behalf in sending a formal acknowledgment of the receipt of the resolutions, and an assurance that they would receive every consideration, will press the importance of some further reply at the earliest possible moment. The public servants of Tasmania have been communicating with me, and I have been telling them that it is a very difficult matter to get in touch with the Prime Minister, who has so many important matters to attend to. Unless something in the way of a definite reply is forthcoming as to the attitude of the Government towards the requests of the public servants preferred in their resolutions, there will, I suppose, be further meetings held, and further time will be taken up.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.50].—I assume that the only reply Senator Keating has so far received was the formal acknowledgment which courtesy demands in such cases. I presume that the honorable senator was told that the matter was under consideration.

Senator KEATING.—That is so.

Senator RUSSELL.—I regret that I am unable to say anything more definite at the present stage, although such matters come under my personal notice.

The reason why I can give no more definite reply at present is that suggestions for the amendment of the Public Service Act have been received from all parts of Australia, and have been referred to a sub-Committee of the Cabinet, which is considering the amendment of the Act. Senator Keating will understand that I cannot anticipate what the ultimate decision of the Cabinet on these matters will be. I will look into the matter to which he has referred, and will supply him with any further information which can be given, subject to the condition that it will not anticipate the intentions of the Government with regard to legislation.

Senator KEATING.—The resolutions dealt with specific proposals.

Senator RUSSELL.—I understand that is so.

Question resolved in the affirmative.

Senate adjourned at 5.51 p.m.

House of Representatives.

Wednesday, 18 August, 1920.

Mr. SPEAKER (Hon. Sir Elliot Johnson) took the chair at 3 p.m., and read prayers.

DEATH OF LADY JOHNSON.

Mr. SPEAKER.—I take this opportunity to thank honorable members for the resolution of condolence which they sent to me in connexion with the sad bereavement which my daughter and I have recently sustained, and to the Prime Minister (Mr. Hughes), the Leader of the Opposition (Mr. Tudor), and the Leader of the Country party (Mr. McWilliams), who moved and supported it, for their very kind and sympathetic references to the late Lady Johnson. My thanks are also due to Mr. Deputy Speaker for his feeling references. I wish also to thank the members of the various staffs of the House for their messages of sympathy, and honorable mem-

bers individually for the letters they have sent to me in connexion with the sad event.

I am pleased to see the Leader of the Opposition present, and to know that he has recovered from his recent indisposition.

NEW GUINEA BILL.

Motion (by Sir JOSEPH COOK), *by leave*, proposed—

That leave be given to bring in a Bill for an Act to make provision for the Acceptance of a Mandate for the government of certain Territories and Islands in the Pacific Ocean, and to make immediate provision for the civil government of the said Territories and Islands, and for other purposes.

Mr. CUNNINGHAM (Gwydir) [3.5].
—I move—

That after the word "government" the words "in accordance with the principles of the White Australia policy" be inserted.

Mr. HIGGS.—On a point of order, will this debate preclude the asking of questions without notice?

Mr. SPEAKER.—No.

Mr. CUNNINGHAM.—As honorable members who were not here on Friday last may not know what took place then, I shall give reasons for moving the amendment. As I pointed out on Friday, unless the motion be amended there will be great danger that coloured alien labour may be introduced under articles of indenture into the territories over which it is intended that Australia shall have a mandate, and it is necessary for us to take steps as early as possible to prevent the misapplication of the money that must be expended on their government. The Japanese have already shown a desire to enter into the islands of the Pacific, and are now present in New Caledonia in fairly large numbers. A good many coloured aliens are entering New Zealand; but I am confident that the people of Australia do not want to have the charge levelled at them that they were a party to the expenditure of money in the interest of any capitalistic force that may intend to set up a system of slavery by importing indentured coloured labour. Not only shall we have to expend money on the government of these territories, but in the years to come we may have to spend blood in their defence. Unless

this Parliament resolves that the government of the territory shall be administered in accordance with the White Australia policy, Hindoos, Malays, and natives of the Pacific Islands other than the territories to which the mandate applies may be introduced. It is for us to say now how those territories are to be administered. If we do that, and should trouble arise in the future, it will be known how we stood, and whether we upheld our principles in the interest of those whose welfare is handed over to the safe-keeping of this community. It is distinctly laid down in the Peace Treaty that these mandates are given over territories whose peoples have not arrived at a very advanced stage of civilization. This mandate is given to us, not to exploit the people of the territories to which it relates, nor to allow capitalists to bleed them, but so that their affairs may be administered in the best interests of civilization and humanity. The Labour party considers it to be its duty to see that effect is given to the mandate in accordance with the Peace Treaty, and that there shall be no exploiting of the people of the territories in the interest of capitalists, no matter where they may come from. I am confident that, no matter what the future may have in store for Australia and for the whole world, the wisdom of what I am proposing will be manifest in the future, and will be recognised by the people of Australia, who will be asked to expend money on the administration of these territories. Let the charge never be made against the Australian people that they were parties to the enslavement of the peoples of the Pacific Islands.

Mr. MAHONY (Dalley) [3.10].—I second the amendment. Upon such an important measure as this we ought to have some explanation from the Minister. We are asked to agree to the introduction of a Bill of the details of which we know nothing. We are asked to vote in the dark upon a matter that will probably have a far-reaching effect upon the future of the islands, and Australia's relations with other Powers. The Treasurer should be prepared to give honorable members some information now, so that when the second reading is reached we may be possessed of the facts and figures, and thus discuss the

question in a proper and intelligent way. I have no desire to delay the business of the Chamber; but I say to the Minister that it is due to himself, to the members of the House, and to the people of Australia, that some detailed information as to the purpose of this measure should be given now.

Sir JOSEPH COOK (Parramatta—Treasurer) [3.12].—I beg of honorable members to allow this Bill to see daylight. In reply to the remarks made by the mover of the amendment, I say that it is for the purpose of carrying out the very objects he has enunciated that the Bill is being introduced. How can we guarantee the White Australia policy in the islands unless we accept the mandate, the terms and principles of which are fixed by the Peace Treaty? How can we do anything to safeguard the islands unless the civil machinery of government is set up there?

Mr. RYAN.—Then there should be no objection to the amendment.

Sir JOSEPH COOK.—There is nothing in the motion which will shut out the amendment at the proper time, which will be when the second reading is reached, and the principles of the Bill are open to discussion.

Mr. RYAN.—Will the right honorable gentleman explain how that amendment can be moved on the motion for the second reading?

Sir JOSEPH COOK.—Anything which is relevant to the objectives of the Bill may be dealt with at the second-reading stage. Moreover, the amendment can be dealt with when the Bill is in Committee. Will the honorable member for Gwydir (Mr. Cunningham) be satisfied with my assurance that if the Standing Orders prevent the raising of the proposition which is contained in the amendment, an opportunity will be found for the matter to be discussed? I therefore suggest to the honorable member that he allow the Bill to pass now. See the Bill, and if in its provisions honorable members see any danger to the White Australia policy, there will be ample opportunity for them to raise the question at subsequent stages of the measure.

Mr. RYAN (West Sydney) [3.16].—It is unfortunate that the Minister did not take on Friday the course he has adopted this afternoon, because the matter would

have been adjusted then and there. The right honorable gentleman must be aware that at this stage of the measure it is competent for any honorable member, indeed, it is the duty of any honorable member, who wishes to safeguard his rights in the subsequent stages, to see that the order of leave is wide enough to admit of the amendments which he may wish to have inserted in the Bill.

Sir JOSEPH COOK.—Does the honorable member say that the order of leave is not wide enough to cover an amendment of the kind suggested?

Mr. RYAN.—Without the assurance which the Minister has given, the motion which he has moved is not wide enough, but the assurance which he has given I accept. When I took exception on Friday to the motion being put through without a word of explanation from the Minister, it would have been quite possible for the Prime Minister (Mr. Hughes) or the Treasurer (Sir Joseph Cook) to give the explanation which has been given this afternoon in a few words. My objection on Friday was not captious or obstructive in any way. I have been accustomed to the parliamentary practice that at this stage of a measure questions are asked and information given, and, if necessary, amendments are moved. I have no doubt that in the past records of this Parliament it will be found that a similar procedure has been followed. A Minister moves for leave from the House to bring in a Bill, and it is right for any honorable member to discuss the motion, and to ask for information in regard to it, without an attempt being made to browbeat him, and prevent him from speaking. I regret that the course adopted this afternoon was not taken on Friday; but, in view of what the Treasurer has stated, that amendments of the nature suggested may be moved in Committee, I can see no objection to the proposal made by the honorable member for Gwydir, and I therefore, for that additional reason, support it.

Question—That the words proposed to be inserted be so inserted—put. The House divided.

Ayes 23

Noes 32

Majority 9

AYES.

Brennan, F.
 Considine, M. P.
 Cook, Robert
 Cunningham, L. L.
 Fenton, J. E.
 Gabb, J. M.
 Hill, W. C.
 Lavelle, T. J.
 Lazzarini, H. P.
 Mahony, W. G.
 Makin, N. J. O.
 Maloney, Dr.

Mathews, J.
 McDonald, C.
 McGrath, D. C.
 Moloney, Parker
 Page, Dr. Earle
 Riley, E.
 Ryan, T. J.
 Stewart, P. G.
 West, J. E.
Tellers:
 Charlton, M.
 Watkins, D.

NOES.

Atkinson, L.
 Bamford, F. W.
 Bell, G. J.
 Best, Sir Robert
 Blundell, R. P.
 Bruce, S. M.
 Cameron, D. C.
 Chanter, J. M.
 Chapman, Austin
 Cook, Sir Joseph
 Corser, E. B. C.
 Fleming, W. M.
 Foster, Richard.
 Francis, F. H.
 Gibson, W. G.
 Greene, W. M.
 Groom, L. E.

Hay, A.
 Higgs, W. G.
 Jackson, D. S.
 Lister, J. H.
 Mackay, G. H.
 Marks, W. M.
 Marr, C. W. C.
 Poynton, A.
 Prowse, J. H.
 Rodgers, A. S.
 Ryrie, Sir Granville
 Smith, Laird
 Wise, G. H.

Tellers:
 Burchell, R. J.
 Story, W. H.

PAIRS.

Anstey, F.
 Catts, J. H.
 Page, James
 Blakeley, A.
 Nicholls, S. R.
 Mahon, H.

Watt, W. A.
 Hughes, W. M.
 Bowden, E. K.
 Maxwell, G. A.
 Jowett, E.
 Livingston, J.

Question so resolved in the negative.

Amendment negatived.

Original question resolved in the affirmative.

COAL SHORTAGE.

Mr. MATHEWS.—I have received a letter from the Australian Glass Manufacturing Company, carrying on business in my electorate, in which they complain that they have only two days' supply of coal in hand for the purpose of carrying on their work. It is the general opinion that if the Government would prevent the export of coal there would be ample supplies available for local requirements.

Mr. SPEAKER.—Order!

Mr. MATHEWS.—I think the public ought to be informed, through the press, that such is not the position. However, I would like to know from the Treasurer whether there is any chance of getting ships this week to remove from Newcastle

the coal at grass there, in order that it may be brought to Victoria to give the manufacturers here an opportunity of carrying on their work, and prevent people from being thrown out of work? I would like to explain the position of the firm to which I have referred.

Mr. SPEAKER.—Order!

Mr. MATHEWS.—I merely wished to explain that if their works are compelled to close it will take fully a month to get them going again.

Sir JOSEPH COOK.—I understand that a motion is to be submitted directly covering the very question which the honorable member has raised.

AUSTRALIA HOUSE.

Mr. GREGORY.—A paragraph appeared in a newspaper last week to the effect that the Commonwealth had acquired a sports ground in London in connexion with Australia House. I understand that the Government have intimated that no such land has been purchased for this purpose; but I would like to know whether the High Commissioner has secured land, by lease or otherwise, for the purpose of providing recreation for those employed in Australia House?

Sir JOSEPH COOK.—I have seen what the honorable member has seen in the papers, but beyond that I know nothing about the matter. However, I do not think there is anything in this statement.

Mr. GREGORY.—Will the Government make inquiries into the matter?

Sir JOSEPH COOK.—Yes.

MARGARINE INDUSTRY.

Mr. HIGGS.—Will the Minister for Trade and Customs lay on the table the report of the Commonwealth Board of Trade on the Australian margarine industry?

Mr. GREENE.—If there is such a report, I have no objection to laying it on the table.

FEDERAL CONSTITUTION CONVENTION.

Mr. AUSTIN CHAPMAN.—Has the attention of the Government been directed to a paragraph in this morning's *Argus* stating that, in connexion with the proposed Federal Constitution Convention,

it is intended to have 40 per cent. of the members elected, and 60 per cent. nominees?

Sir JOSEPH COOK.—So far as I am aware, there is no foundation for the statement.

SUGAR SUPPLIES.

Mr. MATHEWS.—Is the Minister for Trade and Customs aware that some shopkeepers can get sugar for their customers while others cannot? The general opinion is that the Government own and control the sugar in Australia, and I would like to know whether the Minister will see that all shopkeepers have the same opportunity of securing supplies, seeing that those who can obtain sugar for their customers have an advantage over others who cannot get supplies of the commodity.

Mr. GREENE.—If the honorable member will give notice of his question, I shall obtain for him a reply showing exactly what has been done.

CUSTOMS DUTIES AND FOREIGN EXCHANGES.

Mr. BLUNDELL.—Will the Minister for Trade and Customs state whether there is any truth in the report that the proceedings taken in Brisbane against his Department have been abandoned? If the report is correct, will the honorable gentleman make a statement to the House in regard to foreign exchanges and the collection of Customs duties?

Mr. GREENE.—I have not heard of the withdrawal of the case. To the best of my belief it is still going on.

BUDGET.

Mr. AUSTIN CHAPMAN.—Can the Treasurer tell the House the exact date on which he will deliver his Budget statement?

Sir JOSEPH COOK.—I cannot at this stage, but it will be submitted at the earliest possible moment.

PARLIAMENTARY TOUR OF THE ISLANDS.

Mr. AUSTIN CHAPMAN.—Will the Acting Prime Minister give the House definite particulars regarding the proposed parliamentary visit to Rabaul, and

to the several islands in respect of which a mandate has been issued to the Commonwealth? Is it intended that Parliament shall adjourn, seeing that so many members will be absent, and unable therefore to record their votes?

Sir JOSEPH COOK.—I am sorry that I cannot give the honorable member definite particulars as to the tour. I believe that it is to be undertaken, but there is some little uncertainty at the present moment as to the particulars relating to it. I can say, however, that there will be no adjournment of the House in connexion with the tour.

ADJOURNMENT (Formal).

COAL SHORTAGE IN SOUTH AUSTRALIA.

Mr. SPEAKER (Hon. Sir Elliot Johnson).—I have received from the honorable member for Hindmarsh (Mr. Makin) an intimation that he desires to move the adjournment of the House, to discuss a definite matter of urgent public importance, viz., "The serious shortage of coal supplies in the State of South Australia."

Five honorable members having risen in their places,

Question proposed.

Mr. MAKIN (Hindmarsh) [3.35].—I have taken this action in order to impress upon the House the gravity of the situation that confronts South Australia at the present time in respect of her supplies of coal. The shortage of coal is so serious that the industries of the State may be suddenly brought to a standstill. Representatives of South Australia, no matter on what side of the House they may sit, are, I am sure, fully seized with the importance of this question. The Premier of South Australia (Mr. Barwell) has again and again emphasized the point that definite action will have to be taken to facilitate shipments of coal to that State if its industries are not to be held up at an early date. The actual shortage in the supply of coal delivered at Port Adelaide for the fourteen weeks ending 31st July last amounted to 73,000 tons. That was the shortage in respect of arrivals at one port alone, and Commander Braecgirdle, Chairman of the State Coal Board, states that if

supplies do not come to hand in larger quantities it will be impossible to avert an industrial crisis. South Australia in this regard does not stand in an isolated position. Victoria, as pointed out by the honorable member for Kooyong (Sir Robert Best) last week is also suffering from an acute shortage; but the position in South Australia is even more serious, and it is with the object of impressing this fact upon the responsible authorities, and securing sufficient supplies to keep the wheels of industry going that I have taken this action.

Quite a number of excuses are forthcoming, and it might be well this afternoon to analyze some of them. We are told in the first place that the shortage is due to decreased production. Then, again, it is said to be the result of increased exportations. The Prime Minister (Mr. Hughes) has suggested that the shortage is due to abnormal circumstances that have prevailed in this country during recent years, and among these he includes the influenza epidemic and industrial unrest. Others again claim that the shortage is due to lack of shipping facilities; while, lastly, we have the statement made by a prominent coal merchant in Victoria that it is the result of Government control and interference with the distribution of supplies. Let us deal, first of all, with the allegation as to decreased production. This will naturally impress some people as the reason for the shortage at the present time, and, as a consequence, this responsibility will be focussed by public opinion on those directly employed in the coal industry. But, according to Mr. J. M. Baddeley, the president of the Coal and Shale Employees Federation—

Notwithstanding that the Commonwealth Government had about 800,000 tons of coal at grass at Newcastle, he had known ships to be kept there a fortnight, and it was nothing for them to be held up for a week.

Mr. POYNTON.—If the remainder of his statement is as correct as the first part, he is a "long way out".

Mr. MAKIN.—I shall submit statements made by others in evidence given before the Sea Carriage Committee which confirms the statement that large quantities of coal are at present lying at grass.

Mr. CORSER.—That evidence does not confirm Mr. Baddeley, at any rate.

Mr. MAKIN.—Mr. Baddeley goes on to say—

The Shipping Board at Newcastle was regulating shipping, including colliers; but the workers, who had practical experience, were not represented on it. As far as the miners were concerned, the output of coal for the past few months had exceeded the record for any corresponding period for as long as he could remember. The coal going overseas was responsible for the shortage. The Federal Government should provide more ships for the conveyance of coal from Newcastle to Victoria and other States. In addition to the large stocks the Federal Government had on hand, the Government of New South Wales, as well as a number of collieries, had large quantities. Some of the coal, in fact, had been there since 1916.

Even if the statement as to decreased production is correct, but which I do not admit, we are told there is still at grass a large amount of coal, and we should have an explanation why the States today are practically starving for this commodity. Before the Sea Carriage Committee, evidence was given by Mr. Alexander Robert Douglas, colliery manager, who stated that there is sufficient coal at Newcastle to relieve the Inter-State shortage if extra shipping is provided, and he admitted that there has been a great increase in the export of coal. Another gentleman, Mr. M. C. McDonald, of the Northern Colliery Association, gave evidence, in which he said—

For five years there had been a surplus of coal and a shortage of tonnage to carry it, but during the past few months the position had been reversed. Some of the northern collieries had had to charter ships to convey coal to their customers. Ships were now waiting at Newcastle to load to both foreign and Inter-State ports.

I ask honorable members to contrast these two statements by Mr. Douglas and Mr. McDonald. If there is this coal at Newcastle, why are ships waiting, and why are South Australia and the other States not receiving supplies? Mr. McDonald went on to speak about a shortage of 54,000 tons in Inter-State exports, and 129,000 tons in foreign exports, and to say there had been a decrease in production of over 300,000 tons in 1919 as compared with 1918; but, at the same time, we have the statement about the surplus lying at grass, and an assurance by Mr. Baddeley that it is correct. Later on, Mr. McDonald stated that it is not a shortage of shipping that is causing the shortage of coal in the Inter-State trade. As to

exportation, I find the following statement given in evidence before the Sea Carriage Committee—

The extent to which oversea exports are expanding at the expense of Australian needs is indicated by the fact that of the total quantity despatched from Newcastle during July of this year of 434,959 tons, the amount allocated to Australian and New Zealand requirements was 266,877 tons. For the first week of August the total output was 91,989 tons, and of that amount only 51,160 tons has been allocated for the Commonwealth and New Zealand.

Australia does not stand alone, for other countries have felt the effects of a coal shortage. In America, for instance, it was found necessary in June of this year to put a temporary embargo on the export of coal as a national necessity; yet an American boat is in Australia seeking coal for Honolulu in order to fulfil orders on behalf of America. In other words, America is not prepared to allow the export of American coal to Honolulu in order to meet her contracts, but this American vessel is under orders to proceed to Newcastle to take coal to Honolulu on behalf of America. If America is not prepared to supply her own orders, I do not see that we in Australia are under any obligation to assist her in the matter, and thus place our own people at a disadvantage. The American authorities do not hesitate to conserve the interests of the American people, and keep the wheels of their industries turning, and we ought to be alive to the position, and see that we make ample provision for the requirements of this country. South Australia is in this unfortunate position, that it has no coal-fields at present known or explored apart from isolated deposits of brown coal, and is dependent chiefly on the Newcastle mines for its supplies of coal. There appears a circumstance which requires explanation in the evidence given before the Select Committee which is inquiring into matters affecting sea carriage, because one colliery manager has stated that there are ample supplies of coal, and another that ships are waiting in Newcastle to be loaded.

Mr. CORSER.—The two statements do not conflict.

Mr. RICHARD FOSTER.—They merely require an explanation.

Mr. MAKIN.—I should like the Minister to give us an explanation of them.

I am presenting the matter as fairly as I can, and with no desire to make any one a scapegoat. My wish is to relieve the situation, for the sake of our industries, and to keep our people in employment. To enjoy the prosperity that should be ours, we should so manage affairs that a shortage of raw materials and of fuel cannot occur; and by well-ordered and regulated systems we should provide that all that is needed is obtainable. South Australia, being in an isolated position—

Mr. MATHEWS.—It is not more isolated than Victoria.

Mr. MAKIN.—It is further distant from the coal-fields.

Sir JOSEPH COOK. — Nevertheless, it did better than Victoria last month.

Mr. MAKIN.—I understand that Victoria has local supplies with which to supplement the coal imported from New South Wales. It has been said that the Government control has, to some extent, hampered distribution. That is the statement of a Victorian coal merchant.

Mr. CORSER.—He knows nothing about it.

Mr. MAKIN.—I do not subscribe to his views, but I give his opinion for the information of honorable members. He says—

If the Government control of the coal supply were abolished, and the owners and importers were given a free hand in fixing the price of fuel according to the supply and demand throughout Australia, the acute shortage of coal which is now being keenly felt in Victoria and other States depending on supplies from Newcastle would be eliminated within a few weeks.

Sir JOSEPH COOK.—Are you in favour of that?

Mr. MAKIN.—No; I am merely showing that the excuses given for the present shortage of coal are unsatisfactory. The Government should help us out of this difficulty. If it has coal at grass at Newcastle, we should be told of it. If shipping is waiting for cargoes of coal, I want to know why this reserve coal is not used, seeing that coal is essential to keep our industries going, and to employ our people, and there is now so great a shortage of it, especially in the State of South Australia.

Mr. RICHARD FOSTER (Wakefield) [3.57].—The members of the Select Committee which is investigating the subject

of sea-carriage, have for a long time been aware of the facts mentioned by the honorable member for Hindmarsh (Mr. Makin).

Mr. LAZZARINI.—Why have you kept them to yourselves?

Mr. RICHARD FOSTER. — Our latest investigation was conducted in Sydney, and it is not more than an hour and a-half since we returned from that city. The Committee got to work directly it was appointed, and within a fortnight persuaded the Government to transfer eleven of its oversea vessels to the Inter-State trade, with the result that the congestion which then existed in respect of general cargo was quickly ended, and relief was given in respect of coal supplies. Those eleven vessels are still being employed in the Inter-State trade, carrying general cargo and coal, but, unfortunately, the coal situation is still very serious. Last week the Committee went to Sydney to investigate the matter, and, in view of the conflicting statements which have been published, I propose to put the real position before the House. I wish, first, to correct the impression that was created here last week by interjection, and is getting abroad throughout the country, and exciting unrest and dissatisfaction: that the coal-owners get more money for the coal that they sell for export than for that which they sell for use in Australia. The Committee were informed by representatives of the colliery proprietors that they receive exactly the same price for exported coal as for coal used locally.

Mr. MAKIN.—But we should have preference.

Mr. GABB.—The export trade increased the price of coal.

Mr. RICHARD FOSTER.—I shall deal with both matters. The coal-owners do not get a penny more for coal sent abroad than they get for coal used in Australia.

Mr. MAHONY.—What about the agents who buy from them?

Mr. RICHARD FOSTER. — They cannot be responsible for what is done with the coal by those who purchase it from them. I am speaking in this matter not only as a member of the Sea Carriage Committee, but also as a representative of a State whose interests are

in jeopardy because of the shortage of coal and its narrow coal reserves. Coal-mining is a big national industry in New South Wales.

Dr. MALONEY. — It should be nationalized.

Mr. RICHARD FOSTER. — That would make no difference in the present circumstances. This industry must be protected as far as possible. Years ago, Newcastle lost a large part of her export trade because of industrial troubles, and she now has an opportunity of regaining it.

Mr. MAHONY.—Her export trade was lost, not by industrial troubles, but by the restriction of shipping during the war.

Mr. RICHARD FOSTER.—I am speaking of a period long anterior to the war. The honorable member for Hunter (Mr. Charlton), who represents part of the Newcastle coal district, will not contradict what I have said. We ought not to interfere with the export trade in coal if we can avoid doing so, and it is possible that the Inter-State demands may be met and the export trade allowed to continue.

Mr. MAKIN.—We ought not to feed the export trade at the expense of our own industries.

Mr. RICHARD FOSTER.—I do not suggest that that should be done. But the export trade should not be interfered with in the least unless under very serious circumstances.

Mr. WEST.—What about the coal that is at grass?

Mr. RICHARD FOSTER.—I shall come to that. Last month's output of the coal mines was equal to the pre-war standard; and in order to facilitate the supplying of the Inter-State market, it is now being arranged that the whole of the Maitland coal shall be devoted to the Australian trade, the Newcastle coal being left available for export. When all that is done, the next step will be to find more shipping. I understand that the Select Committee on Sea Carriage is likely to recommend to the Government that more ships should be taken from the over-sea fleet for such time as may be necessary to overtake the shortage of coal for Inter-State purposes.

Mr. MAKIN.—Is full advantage being taken of the present freightage?

Mr. RICHARD FOSTER.—Yes. The honorable member spoke of ships having been held up and delayed at Newcastle. That occurred on only two occasions, because the foreign ships which had come for coal were occupying the berths. What I believe the Select Committee will recommend is that, when the berths are fully occupied, the Government should agree to the reserves of coal being drawn upon, so that, if there is not ample space for all the shipping at the port, vessels may load from the dumps for the Inter-State trade. The Government know best whether they can allow the dumps to be touched; but I urge upon them that, in the interests of Australian industries and public utilities, they should allow as much coal as is necessary for the Inter-State requirements to be drawn from the reserves.

Mr. POYNTON.—The reserves are a very good insurance.

Mr. RICHARD FOSTER.—I know they are, but they can be replaced. The Inter-State demand for coal is likely to continue for some time, because there are no reserves in South Australia or Victoria. The supplies of public utilities are reduced to a minimum, and some of them have not more than enough coal for one week. The present demand may continue for some weeks, and it is necessary that more shipping shall be provided. Whilst we do not wish to injure the coal export trade of New South Wales, we insist that it shall be subsidiary to Australian industries. I believe, however, that both Inter-State and overseas requirements can be met if the Government will adopt the suggestion I have made.

Mr. MATHEWS (Melbourne Ports) [4.9].—Having listened to the honorable member for Hindmarsh (Mr. Makin) and the honorable member for Wakefield (Mr. Richard Foster), one would think that South Australia was the only State suffering from a shortage of coal. As a matter of fact, South Australia is getting a greater proportion of its normal requirements than is Victoria.

Sir JOSEPH COOK.—That is so.

Mr. RICHARD FOSTER.—Victoria has had two ship loads this week, and South Australia has had 6,000 tons.

Sir JOSEPH COOK.—Victoria received 85,000 tons last month, and South Australia 60,000 tons.

Mr. MATHEWS.—In proportion, Victoria should have received 160,000 tons.

Mr. RICHARD FOSTER.—But Victoria has its own brown coal.

Mr. MATHEWS.—The honorable member knows that every business makes provision for a supply of coal from somewhere. If its supply is ordered from Newcastle, and it does not come to hand, that business must go short; other coal will not suit. I have received to-day a letter from the Australian Glass Manufacturing Company stating that it has only two days' supply of coal. Is there any firm in a more acute position? If the fires go out, a month will be required to bring the whole establishment into full operation again. The public do not understand the situation; the press will not explain it to them, and Parliament evidently is unable to do so. We are assured that the output of coal from Newcastle and Maitland is greater than ever it was before.

Mr. RICHARD FOSTER.—That is not so. Last month, the output just equalled the pre-war output.

Mr. MATHEWS.—I am assured that July was a record month, and we know that there is more coal at grass than ever before. If there is a shortage in coal, what objection can there be to releasing some of the stocks lying at grass? Is it the intention of the Government to hold those reserves as an insurance against strikes? What will be the use of doing that when shortage of coal in other portions of Australia will mean the closing down of many establishments? A strike could not have any worse effect. There is a belief in the community that the shortage of coal for Australian requirements is due to the large export trade. If that is not the case, and the real cause is the shortage of shipping, the Government should make that clear to the people. Until the position is explained to the public the impression that they are being made to suffer for the sake of the export trade will continue. Unless something is done to alleviate the present position, thousands of men will be thrown out of employment, and industrial conditions will become acute. What can we do? In

the absence of the Prime Minister (Mr. Hughes) I refrain from saying something I might otherwise say in regard to the shipping. But I think it is quite possible that the Government might show a little more discretion in getting more shipping for Inter-State purposes. If, when they have obtained the extra shipping, they cannot get the coal from the mine, the Government will be free of blame. It will then be clear that the shortage is due to the fact that we are exporting coal which ought to be made available for local industries. There is a feeling abroad that foreign ships are taking away coal that ought to be diverted to the Inter-State trade. I know that the ships which are taking the coal abroad do not belong to Australia, and that it would be an act of piracy to endeavour to compel them to carry for the local trade. Still, the matter should be explained, because the public are anxious to know why action is not being taken.

Mr. MAKIN.—Why should we give foreign ships coal to take to Honolulu?

Mr. MATHEWS.—If our own ships have been refused coal whilst supplies have been made available for foreign ships to carry overseas we have a right to growl.

Sir JOSEPH COOK.—Hear, hear—if! But if we have not ships to lift the coal for Inter-State purposes, and a foreign ship comes in for supplies, why should we refuse the foreign order?

Mr. MAHONY.—While the foreign ships are occupying the berths Inter-State colliers are prevented from loading.

Mr. MATHEWS.—The honorable member for Wakefield (Mr. Richard Foster) admitted that that has occurred twice.

Sir JOSEPH COOK.—For how long?

Mr. MATHEWS.—I do not know, but such a thing ought not to be allowed to occur again. Will the Treasurer tell the House definitely that there is plenty of coal and berthage, but that the shortage of Inter-State supplies is due to the lack of ships to carry the coal? If that is the position we ought to try to get more ships, but until the position is made plain to the public one cannot wonder at receiving letters, such as have reached me, urging that the export trade should be discontinued until local requirements are met. Whilst the local trade may have had to suffer in the past for the sake of the export trade, I do not think the Government would be so foolish as to allow

that to take place to-day; they would not show much acumen if they did. However, the fact confronts us that a shortage of coal exists, and it is lamentable to think that works employing 600 or 700 hands may have to close down, and remain out of operation for a month. So far as Victoria is concerned, particularly in my own constituency, the shortage of coal is such that thousands of men will be out of work unless arrangements are made by the Government to supply coal in greater quantities.

Sir JOSEPH COOK (Parramatta—Treasurer) [4.17].—It is rather a peculiar circumstance that immediately following the best monthly output we have had for some years the shortage of coal should suddenly become accentuated in the House. One would have thought that after such a month as July people would be glad to say, "Well done! We are grateful for the improvement already effected in the output; go ahead and do better." But, strange to say, after the best monthly output for years, the position appears to be more acute than ever before. In regard to South Australia, that State does not appear to be in very great difficulties. Out of 200,000 tons made available for the Inter-State trade last month, South Australia has received 60 000 tons. Of course, on the principle that the more one gets the harder one growls, South Australian members are entitled to move the adjournment of the House on the coal question, but that really is not the State which should insist on dragging the coal question before the House, at any rate, at present, in view of the fact that it of all States fared best last month. The distribution of coal in July was—Victoria, 85,000 tons; South Australia, 60 000 tons; Western Australia, 14,000 tons; Queensland, 10 000 tons; and Tasmania, 9,000 tons; total, 200 000 tons.

Mr. MAKIN.—South Australia only received 60 per cent. of its normal requirements.

Sir JOSEPH COOK.—I am under the impression that 60 000 tons is as much as South Australia can use in any one month. The trouble is that when stocks are reduced to a minimum it is very difficult to distribute evenly all through the industrial life of the country the little coal that is available. Some industries do not get the quantity required to keep them going, whilst other

industries may be getting as much as they require; but, because there is not enough for all, trouble arises. The difficulty can only be overcome by building up stocks of coal. Every industry must have certain reserves so that when these temporary dislocations occur they can tide themselves over until the processes of distribution are again equalized. The problem is to get a greater quantity of coal circulated throughout Australia, and in this connexion I may mention that last month's distribution was one of the best we have had. In July, 1913, the quantity circulated was 254,000 tons; in July, 1914, it was 200,000 tons; and last month it was also 200,000 tons, as much as was distributed in July, 1914. Therefore, the position is rapidly becoming better, and will still improve, I believe, if we can prevent these dislocations of the industry which take place from time to time in consequence of one thing and another. However, all this trouble dates back to the influenza outbreak, which laid up shipping for three months, and to the two shipping strikes, which occupied three months each, and prevented accumulations of coal being made. As a matter of fact we shall never get ahead in our requirements until we have a little peace in the land, and every effort is directed towards improving the position as it arises from day to day.

The Government propose to appoint a Coal Administrator in the Newcastle district. He will probably be located in Sydney, but he will have full control of the transportations of coal from the pit's mouth, and will issue permits for berthing at the wharfs. In this way we hope to be able to turn into the Inter-State channels nearly all the coal which is won in the Maitland district, leaving some of the other kinds of coal to be used for the foreign trade. All of the States have a distinct preference for Maitland coal.

Mr. FLEMING.—So has the export trade.

Sir JOSEPH COOK.—But if we are obliged to make a choice it is only fair that we should keep the best for ourselves.

Mr. FLEMING.—And lose the export trade?

Sir JOSEPH COOK.—I do not think that will happen. Some of the other coal

we produce is as good as any overseas coal. In fact, as any of our coal is of better quality than the best in Japan and elsewhere, our overseas customers cannot complain if we are still able to supply them with a fuel which is equal to their best. There is no reason why we should divert that trade which, in some cases, our own States really do not want, to the detriment of the export trade; but we believe that by the arrangement we are making we shall be able to limit the export trade to dimensions that will permit of the building up of Interstate stocks. Now that we have got down to bedrock we hope that, while not destroying our export trade, we may at the same time build up our stocks of coal here. That is the fundamental trouble, but it comes back to the general question of the lack of shipping, and the lack of production. In the Newcastle district last year the production was 350,000 tons less than it was in the year before.

Mr. GABB.—Another trouble is the fact of the European market opening.

Sir JOSEPH COOK.—The European market is opening, and in healthy conditions our coal trade ought to be able to supply the foreign markets in abundance, as well as our own.

Mr. RICHARD FOSTER.—Will you give us the boats? That is the whole difficulty.

Sir JOSEPH COOK.—I am told that the shipping position is easing a little, and I believe that if we can only continue for a month or two as we are now doing the trouble will rapidly cure itself. It is bound to break out sporadically, because the systematization of the trade is not as perfect as it ought to be; but the Government believe that the new Administrator will be able to obviate vessels hanging about and not being able to coal. Soon there ought to be enough coal for local requirements, and even some to spare. I agree that if we are obliged to dig into the stocks at grass for the purpose of keeping our industries going and our ships filled we ought to do it; but I do not know that we should do away with that storage altogether.

Mr. RICHARD FOSTER.—We could easily replace what we take away from the stacks.

Sir JOSEPH COOK.—That could be done. However, I can assure honorable

members that the position will ease very rapidly. We have been living from hand to mouth until we could get more shipping and greater production, and if the miners and owners will only act sensibly at the conference now proceeding, and agree to pull together to overcome the present difficulties, we ought very soon to be over them.

Mr. WATKINS (Newcastle) [4.28].—Every one deplures the shortage of coal supplies in Victoria and other States, but as the Treasurer (Sir Joseph Cook) has pointed out, there has been an improvement in the output from Newcastle. I believe that owing to the rush of foreign shipping to Newcastle to meet the coal starvation all over the world to-day, one or two of our steamers have returned from that port with empty holds; but that is not the normal position.

Sir JOSEPH COOK.—Even in pre-war times it was quite common for vessels to remain at Newcastle for two or three weeks to load coal.

Mr. WATKINS.—Yes, and that is not exceptional in any port of the world when a rush occurs. In normal conditions the mines and the loading facilities at Newcastle ought to be able to cope with the increased demand for coal in Australia, and keep up with the foreign trade as it existed before the war. The Commonwealth Government have 750,000 tons of coal in heaps at Newcastle.

Sir JOSEPH COOK.—The Commonwealth Government have not 500,000 tons of coal there.

Mr. WATKINS.—Mr. Fox has stated that there are 750,000 tons of coal stacked at Newcastle, but some of it may belong to the State Governments. However, it is all in heaps, and men are being paid to look after it and prevent it from catching fire.

Sir JOSEPH COOK.—Not more than a third of it belongs to the Commonwealth Government.

Mr. WATKINS.—Coal so stacked must deteriorate. The Government ought to borrow loading appliances which the New South Wales Railway Commissioners have available, and load the 100,000 tons of coal which are stacked on the dyke at Newcastle into vessels. In this way they could supply the immediate requirements of the other States, and prevent any ships leaving the port empty. The Treasurer must realize how useless it is to keep these

stocks which the Government have purchased as a deterrent against future industrial trouble. They would have no more chance of getting men to work them if trouble did occur than they would of getting them to go into the mines. I know that two handlings would be required for the coal which is stacked on the Sulphide Corporation's property and elsewhere, in order to pick it up and transfer it to the ships' sides in waggons, but the coal stacked on the dyke could be loaded direct into vessels by means of grabs almost as rapidly as it could be discharged out of waggons into a ship's hold. If boats are blocked from getting to the cranes at Newcastle they could easily be filled from these dumps. Therefore, it is useless to cry out about a shortage of coal in the southern States when these huge stacks of coal are lying untouched at Newcastle. The situation could be relieved in the way I have indicated.

Sir JOSEPH COOK.—What about increasing the production, which was 350,000 tons less last year than in the year before? Would not that be a better way of meeting the difficulty?

Mr. WATKINS.—The shortage of production has not been the fault of the miners, but has been due to other troubles. The output of the mines to-day on any one day is greater than it has ever been at any previous time in the history of Australian coal mining. It has not been the fault of the men that we have not reached the limit attained in pre-war days. Many of the mines were idle during the war, and they are only now being put into commission. These were the mines which undertook the export trade. A few shiploads of Newcastle coal may have gone in a new direction, but the bulk of our exports have been designed to regain the markets that we held before the war. As to the statement that coal has been exported to Honolulu, or to some of the western ports of America, I would remind the House that Newcastle has always held that trade. Should it not be allowed to regain it? During the war, because of the loss of this export trade, some of our mines did not work at all, while, for the same reason, others were closed down for months. Surely those who suffered in this way during the war should be allowed an opportunity to regain the old trade. It is a curious fact that, while the Australian market seems to call for one class of coal, the whole

of our foreign trade demands the Newcastle Borehole steam coal. That is a heavier coal, and will stand the fiercest draught better than any other, whilst it is also said to have more by-products. The one course which the Government should take is to lift the coal now on the dyke. If they did that, and at the same time secured increased shipping facilities, the position would be relieved, pending the re-establishment of the coal mining industry on its pre-war footing.

Mr. FLEMING (Robertson) [4.37].—Unless the Government have some inside information which honorable members do not possess, it seems to me that it would be wise for them to adopt the advice that has been given by representatives of coal mining districts in this House, and to dispose of the surplus coal now lying at grass. Some of that coal has been lying there for quite a long period. It is a well-known fact that coal begins to deteriorate in some cases as soon as it reaches the surface, while even the very best of it deteriorates within six months, and, in bad weather, very shortly after it is brought to the surface. If the Government could see their way to dispose of the coal now lying at grass, and to replace it to the extent dictated by considerations of safety, they would be well advised.

I rose, however, more particularly to deal with the suggestion made by the Acting Prime Minister (Sir Joseph Cook) that the export trade should be deprived of the best coal, and given only that which is generally considered to be of second rate quality. The honorable member for Newcastle (Mr. Watkins) has rightly said that our export trade is dependent upon our being able to supply a coal of rare quality. It is because we are able to cater for that demand, and to supply the best quality of steam coal that we are able to maintain our export trade, and so to keep our mines busy. The coal trade could be largely extended if there were a little more security attaching to it, and we must undoubtedly continue to export our best. The Acting Prime Minister has said that our inferior coal is very much better than most of the coal produced in the East. No doubt that is so. But what of the price?

Sir JOSEPH COOK.—The coal of which I speak is not inferior; it is different, that is all.

Mr. FLEMING.—The right honorable gentleman must know that our western coal is not as good as the northern coal. No coal shipped from any other part of Australia is equal for shipping requirements to that which comes from Newcastle.

Sir JOSEPH COOK.—The honorable member for Newcastle has just pointed out that the Borehole coal is better than Maitland coal for shipping purposes.

Mr. FLEMING.—Yes, and Maitland coal is considered by experts to be best suited to the dye industries. It is claimed that it contains more of the best qualities of material necessary for dyes than does any other coal. Our coal trade has been growing for years, and would have expanded far more than it has done, but for the insecurity attaching to it. I have had something to do with various phases of the coal trade, and know that there is a magnificent prospect for both the mine-owners and the miners if the business is but placed on a proper footing. Not only can the output of the mines now working be increased, but there are scores of places where seams can be opened up which will bring abundant wealth to Australia, and provide employment for a great body of men who should be satisfied workers, since the trade can carry the highest possible form of wage and still make good progress. Despite this fact, we have the Government suggesting a course that would be absolutely dangerous to the whole trade. I hope that before they appoint a Coal Administrator and give him power to control the coal export trade—before they make any move to restrict the export of our best qualities of coal, and so limit employment over the large fields in New South Wales where thousands of men, women and children are dependent upon this trade—they will give the matter the fullest possible consideration. The honorable member for Hunter (Mr. Charlton) and the honorable member for Newcastle (Mr. Watkins), who particularly represent the coal-mining districts of New South Wales, know the business from beginning to end. Knowing them as I do I am convinced that their sole desire is to advise the Government to do that which will prove best for the coal trade as a whole. They recognise, as I do, that if the mine-owners and the miners are set against each other, trouble is sure to arise. They desire that the

Government shall not restrict the export of coal merely to secure a slight and momentary advantage. To restrict our coal exports would be very much like cutting down a tree to secure its fruit. The manufacturers of Victoria, according to to-day's newspapers, are calling out, "Let us have all the coal. Restrict the export of coal until our wants are satisfied, so that we can go on exporting that which we produce." What would be their attitude if those engaged in the coal-mining industry were to say to them, "The export of your goods must be restricted until we are satisfied, and can obtain all that we want?" These manufacturers are selfish, and so utterly blind to the interests of Australia as a whole as to ask the Government to restrict the export of coal in order that they may be able to carry on and export their own produce. It is pure selfishness. They ask for downright discrimination between two sections of the community. I hope that this motion will lead the Government to view this question from quite a new angle, and to realize that the voice of the manufacturers in Melbourne is not the the voice of Australia.

Sir ROBERT BEST (Kooyong) [4.45].—It is quite obvious that the honorable member for Robertson (Mr. Fleming) is not impressed with the gravity of the situation that confronts the industrial forces of this country. Our manufacturers have met and have stated definitely that unless they are supplied with coal it will be quite impossible for them to continue their industries. As the result of the shutting down of these industries, thousands of employees will be thrown out of work, and they and their families will be left to starve. Can such a state of affairs be viewed with equanimity, knowing as we do that enormous quantities of our coal are being exported to meet the coal shortage abroad, and really to enable foreign manufacturers to continue their operations? In other words, our own manufacturers are to be permitted to starve—their industries are to close down—in order that Australia may supply coal to manufacturers abroad, and so enable foreigners, to continue their work. My honorable friend (Mr. Fleming) must know that the case cited this afternoon by the honorable member for Melbourne Ports (Mr. Mathews) is but typical of many. The honorable member for

Melbourne Ports said that unless the glass bottle industry, in which hundreds of men are employed, was able to obtain a supply of coal within the next two days it would have to shut down, and that if the furnaces were allowed to go out a further delay of a month would be involved in re-starting the industry; meantime the men engaged in it would remain out of work. Is that a state of affairs that we could look upon with equanimity?

Mr. WATKINS.—Why not induce the Government to lift the coal on the dyke?

Sir ROBERT BEST.—Undoubtedly. It is a matter of increasing and regulating the output and utilizing, according to business methods, the coal available. I do not know whether the Government are fully seized with the gravity of the situation. The Victorian Railways Department announces that unless it can obtain further reserves of coal the railways must close down. Our various gas companies are also complaining of the rapidly decreasing reserves. Is it to be seriously contended that these public utilities shall be permitted to close down, with disastrous results to the general public, merely in order that the requirements of the foreigner may receive consideration? Is the Australian workman to be starved to enable the foreign workman to live? If there is any question as to whether Australian or foreign requirements are to be supplied, then undoubtedly the preference must be given to Australia.

The evidence which has been given in regard to the coal shortage is most embarrassing. The conflict of testimony is surprising. One class of witness complains that there is a shortage of shipping, while another asserts that there is ample shipping available. One class of witness declares that there has been a greater, and another that there has been a lower, output of coal than before the war. The Treasurer (Sir Joseph Cook) now tells us that Victoria received 85,000 tons of coal for the month of July—a greater tonnage than we secured in previous months. He therefore contends that the situation is easy, and that Victoria has no right to complain.

Sir JOSEPH COOK.—I did not say that it had no right to complain.

Sir ROBERT BEST.—Does my right honorable friend realize that owing to the

shortage during previous months we had been brought to a state of desperation, and that the supply of 85,000 tons during July, which was by no means equal to our requirements, has permitted our industries only to carry on, so to speak, from hand to mouth? The position is the same in South Australia, Western Australia, and Tasmania. Yet the honorable member for Robertson complains that we, who see these disasters imminent, are taking steps to protect the industries of Australia before the foreigner is supplied.

Mr. FLEMING.—At whose expense?

Sir ROBERT BEST.—I hope not at the expense of the miners or the mine-owners. There are ample supplies, I believe, available for both the local and export trade; and this is a matter for the most rigid regulation and urgent attention. I am glad to hear that a Comptroller is to be appointed; and he must be definitely and firmly instructed that Australian requirements cannot be neglected. We are told that there is no available berthage for Inter-State shipping, because foreign shipping occupies the room; but I submit that in this regard also Australia is entitled to preference. I would not suggest for a moment that we should ruthlessly interfere with the export trade.

Mr. FENTON.—But Australia first!

Sir ROBERT BEST.—Undoubtedly, Australia first. I do not desire, nor is there any necessity for, injustice to be done to the mining industry or the owners; the interests of the employer and employed can be completely respected; but the position is so grave, with our industries and public utilities threatened, that we cannot regard it with equanimity. The immediate attention of the Government is called for to avert threatened disaster.

Mr. GABB (Angas) [4.52].—The Treasurer seems to question whether there is such a shortage of coal in South Australia as has been stated.

Sir JOSEPH COOK.—Indeed, I do not; I say that South Australia is now being treated better than any other State.

Mr. GABB.—The honorable gentleman also questioned whether South Australia can use 60,000 tons a month; but I inform the honorable gentleman that so serious is the position regarded by the Premier of that State that he

approached Mr. John Gunn, the Leader of the Opposition, and asked him to use any weight he might have in order to improve it. When we find the Premier doing this we may be assured that the position is serious, for otherwise the tendency in politics is not for one side to approach the other. That action of the Premier is one reason why this question has been raised here this afternoon. If South Australia received 60,000 tons last month, and is in such needy circumstances now, it is only a proof that she had not previously received what was her due. At the present time there is a big market for Australian coal opening in Europe, and our fear is that this may increase the shortage amongst ourselves. In the *Industrial Australian and Mining Standard* I read—

A report from our London office states: "The decision of the British Government to limit the export of coal to 1,750,000 tons per month has led to a surprising development in the European trade. As a result of the quests for supplies, it has actually been found possible for Australia to undercut Great Britain in the European market."

There is evidently a big opening for Australian coal in Europe, and an equally big temptation offered to the colliery owners of Australia. From what I know of the colliery owners, and commercial men generally, they will not consider the interests of their fellow-countrymen and their own States, but first will consider their own pockets; and we are perfectly justified in making the request we do this afternoon. Even if it is correct that about 10,000 tons are to be landed in South Australia in a few days, it is information that we are glad to receive; but there are possibilities and probabilities of further trouble ahead unless the Government are prepared to step in and see that not only South Australia—for I am not speaking in a parochial spirit, of which we have far too much here—but Australia as a whole receives what coal we require. The Prime Minister (Mr. Hughes) the other day said, in a letter to the Premier of South Australia, that it would "be a pity to interfere with the overseas trade in the circumstances." Granted; but it would be a greater pity to interfere with the efforts to build up industries in the Commonwealth. The Minister for Trade and Customs (Mr. Greene), when speaking on the Tariff some time ago, told us that there was capital waiting to

Mr. Gabb.

come to Australia for investment, and the honorable member for Wentworth (Mr. Marks) quite lately made a similar statement, while other speakers opposite have expressed the opinion that industrial unrest in Australia discourages the investment of capital. But if the impression gets abroad that the manufacturers of Australia are in danger of being deprived of necessary coal, that also will have a deterrent effect upon the investment of capital; and great as may be the advantages of being able to send the raw coal from Australia, greater advantages will result from the establishment of industries here, and the export of the finished manufactures.

The honorable member for Robertson (Mr. Fleming) expressed the hope that if there are stocks of coal here the Government will use them. I understand that there is fully 100,000 tons of coal at Newcastle, which could be used very quickly; but there is also 600,000 tons at grass at different places.

Sir JOSEPH COOK.—But not belonging to us. I have the figures here if the honorable member would like to hear them.

Mr. GABB.—I also have figures. This afternoon I heard a Minister, whose name I shall not mention, interject that it is an "insurance" to keep the coal where it is; and the Prime Minister, a fortnight or three weeks ago, said, in regard to the same coal, that it was necessary to keep it in case of strikes and so forth. It seems to me that the coal is being kept to be used as a lever to force the hands of the coal-miners of Australia. If that be so, and the coal is being kept at the expense of the manufacturers and the workers of this country, I regard it as a very unwise step. The Government are asking the people of Australia to "produce, produce, produce," but I do not see how the people can respond if coal is not made available. It sometimes seems to me that there must be a fair number of Free Traders in the present Government. If coal is to be permitted to go to alien peoples, while our own manufacturers are in dread of a famine, I can conceive none but believers in Free Trade who would advocate or support such a procedure.

Debate interrupted under standing order 119.

Later:

Sir JOSEPH COOK.—I should like, by leave of the House, to make public some information which has just reached

me. I have ascertained that this week 16,500 tons of coal are to be discharged at Adelaide from the steamers *Chronos*, *Barwon*, *Nardoo*, and *Corio*; that there are three vessels due to load coal at Newcastle next week, which will take 15,000 tons, and that two others are to load there on the following week, which will take 8,000 tons. I have also ascertained that the statements which have been made here regarding our coal reserves in the Newcastle District are incorrect, and that the total amount of coal which the Commonwealth has there at the present moment is about 250,000 tons.

MILITARY PATIENTS, PERTH.

Mr. BURCHELL asked the Minister representing the Minister for Defence, *upon notice*—

1. Whether it is a fact, as reported in the Western Australian press, that the Commonwealth Government propose building a new wing at the Perth public hospital to accommodate military patients?

2. If so, why could not additional accommodation be built at the Fremantle public hospital for such patients?

3. Further, in view of the large Commonwealth works to be undertaken at the Henderson Naval Base, would it not be wiser to have Commonwealth hospital accommodation situated at Fremantle rather than at Perth?

Mr. POYNTON.—These questions should have been addressed to the Minister for Repatriation. I have been furnished with the following answers:—

1. The Department of Repatriation is negotiating with the State Government of Western Australia for the provision of facilities at the Perth public hospital for discharged soldiers who may from time to time require in-patient treatment.

2 and 3. As the accommodation proposed is only for returned soldiers, the convenience of the men can best be met by the selection of Perth. It is not only the largest centre of population in Western Australia, but, owing to its railway facilities, is the most readily accessible spot from country areas. This is regarded as a most important factor, as it eliminates the necessity for further travelling and obviates delay in according a patient the requisite medical attention.

AUSTRALIAN FLAG.

SUPPLIES TO SCHOOLS.

Mr. BURCHELL (for Mr. HIGGS) asked the Prime Minister, *upon notice*—

Whether, with a view to popularizing the Australian flag, the Government will supply

one to every school within the Commonwealth where the school committee or schoolmaster will undertake the care and recognition of the flag?

Sir JOSEPH COOK.—It is thought this is rather a matter for the consideration of the Governments of the various States.

INCOME TAX.

PRIMARY PRODUCERS.

Mr. MACKAY asked the Treasurer, *upon notice*—

In view of the motion moved by the honorable member for Lilley (Mr. Mackay), and unanimously approved of by honorable members of the House of Representatives on the 22nd April last, that the fairest method of calculation for purposes of the Federal income tax as applied to primary producers would be upon a basis of five years' operations, will the Treasurer state what steps have been taken to carry out the wish of the House?

Sir JOSEPH COOK.—As I intimated during the debate on the motion referred to, the question of the taxation of primary producers is to be specially referred to the Royal Commission on Taxation which will shortly be appointed. In the meantime, relief will be given in cases of hardship, under section 64b of the Income Tax Assessment Act 1915-1918.

UNCLAIMED GRATUITY BONDS.

Mr. CAMERON asked the Treasurer, *upon notice*—

1. Whether it is true that there are numbers of unclaimed gratuity bonds at various post-offices in Queensland?

2. If so, is there any time limit to the claiming of these bonds?

3. If so, are any steps being taken by the Department to find the persons entitled to the bonds.

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follow:—

1. Yes.

2. Yes. If the bonds are not claimed within six weeks, they are returned to the Defence Department. In the case of outlying offices, the period is extended.

3. Yes. Every effort will be made to locate the persons entitled to the bonds. Notices will be sent to the last-known address, and, where this fails, efforts will be made to trace the persons through the Repatriation Department and the staff office for returned soldiers.

BRISBANE-SYDNEY TELEPHONE.

Mr. MACKAY (for Mr. CAMERON) asked the Postmaster-General, *upon notice*—

Whether, in view of the urgent necessity for direct telephonic communication between Brisbane and Sydney, the Postmaster-General can give any indication as to when such communication will be established?

Mr. WISE.—I am unable to say when the trunk-line communication will be established between Sydney and Brisbane. The matter has, however, been under consideration for some time, and definite action will be taken as soon as circumstances permit.

OATMEAL PRODUCTION.

Mr. GREENE.—On the 30th July the honorable member for Melbourne (Dr. Maloney) asked the following question:—

In view of the fact that the managing director of Robert Harper and Company, in giving evidence before the Fair Profits Commission, as reported in yesterday's papers, states that it takes 120 bushels of oats to produce a ton of oatmeal, and as this varies from other sworn evidence given before the same Commission, will the Minister kindly inform the House—(a) the average weight of oats to produce a ton of oatmeal to make a short ton of 2,000 lbs. weight; (b) the amount of oats to produce a long ton of 2,240 lbs.; (c) what is a fair price for gristing a short ton of oatmeal; (d) what is a fair price for gristing a long ton of oatmeal.

I am now in a position to furnish the following information:—

(a) and (b). On the average 120 bushels of field oats will produce a long ton (2,240 lbs.) oatmeal. That is, 120 bushels is the basic weight, but the outturn naturally varies according to grade of sample. The quantity required to produce a short ton (2,000 lbs.) is proportionately less.

(c) and (d). The actual cost of gristing cannot be stated. It depends on the ratio of the prime cost to sales, and is also governed by establishment charges. An average cost is probably not less than 22½ per cent. on sales.

NORTH-SOUTH RAILWAY.

Mr. GROOM.—On 12th August, the honorable member for Boothby (Mr. Story) asked the Minister for Works and Railways whether he would furnish the House with a return showing the costs up to date of the various surveys undertaken by the Department of Works and Railways to determine the best route for

the North-South railway from Pine Creek to the South Australian border, including those, if any now in progress. I am now able to furnish the following particulars:—

1. Inspections and surveys to determine the best route for the North-South railway have been made at various times since the beginning of 1913 to the end of 1919; but none are in hand at present.

2. Trial and working surveys from Pine Creek to Katherine River (54 miles), and from Katherine River to Mataranka (65 miles), have been completed at a cost of £10,956.

The section from Pine Creek to Katherine River has been built, and from Katherine River to Mataranka has been inspected and recommended by the Parliamentary Standing Committee on Public Works.

3. From Mataranka to Daly Waters (95 miles) a trial survey has been made at a cost of £4,042.

The whole of this distance (214 miles) is common to any route which may be decided on.

4. Inspections of the country have also been made—

- (a) From the Pines, a point on the Trans-Australian railway to Coward Springs, a station on the Oodnadatta line—a distance of 128 miles—and from Kingoonya, a station on the Trans-Australian railway, to Boothiana, a station on the Oodnadatta line—a distance of 176 miles—at a cost of £2,895.
- (b) From Oodnadatta to Mataranka (1,076 miles), and from Newcastle Waters to Camooweal (358 miles) at a cost of £7,244.
- (c) From Oodnadatta to Daly Waters *via* Anthony's Lagoon (876 miles), at a cost of £2,740.
- (d) From Maree (on the Oodnadatta line) to Boulia (Queensland), a distance of 535 miles, at a cost of £982.

EUROPEAN SITUATION.

AUSTRALIAN DEFENCE POLICY.

Mr. HIGGS asked the Prime Minister, *upon notice*—

1. Whether he is prepared to make any statement to the House with regard to the reported startling change in the European situation, and the retort that the Prime Minister of Great Britain has said that "he will not be stampeded into war by the alleged action of France in recognising General Wrangel's anti-Bolshevik Government in South Russia"?

2. Whether, with a view to Australia having a more immediate and adequate voice in the direction of the Imperial Defence policy, the Government is prepared to advocate the following plan:—

- (a) The formation of an Imperial Council of Defence consisting of representatives from the Parliament of the

United Kingdom together with a representative from each of the self-governing Dominions?

- (b) The representatives forming this Imperial Council of Defence to be members of Parliament who have been elected on the suffrage of the more popular House of the Parliament of which they are members; to be appointed by their respective Governments, to hold office during the life of their Government, but to be eligible for reappointment?
- (c) Each Overseas representative to make himself acquainted as far as possible with foreign politics, and to visit at least once a year the Dominion which he represents?
- (d) Each representative to be granted "a pair" during his absence from the Parliament of which he is a member?

Sir JOSEPH COOK.—I shall be glad if the honorable member will postpone his question until the defence policy of the Commonwealth is definitely formulated, when a comprehensive statement covering Commonwealth defence in its relation to Imperial policy will be made.

LEAVE OF ABSENCE.

Motion (by Sir JOSEPH COOK) agreed to—

That leave of absence for three months be given to the honorable member for Nepean (Mr. Bowden) on the ground of ill-health.

PAPERS.

The following papers were presented:—

Defence Act—Regulations Amended—Statutory Rules 1920, No. 135.

Papua—Ordinance of 1920, No. 3—Aliens.

War Service Homes Act—Land acquired under at—

Daylesford, Victoria.

Wahgunyah, Victoria (2).

CONCILIATION AND ARBITRATION BILL.

SECOND READING.

Mr. GROOM (Darling Downs—Minister for Works and Railways) [5.8].—I move—

That this Bill be now read a second time.

Honorable members will find that this measure is one for discussion in Committee rather than at the present stage. The Bill proposes a series of amendments in the conciliation and arbitration law,

which the operation of that law has shown to be needed, and of which I shall make a short general explanation.

Section 4 of the principal Act contains a lengthy definition of the term "industrial matters," but this definition has been held not to cover disputes arising between unions as to the demarcation of the functions of their members, and it is proposed therefore to insert in the definition the words "and any matter as to the demarcation of functions of any employees or classes of employees." The disputes which these words will cover have arisen chiefly in the dockyards. The definition of "lockout," which now—

includes the closing of a place or part of a place of employment, or the total or partial suspension of work by an employer, with a view to compel his employees, or to aid another employer in compelling his employees to accept any term or condition of employment—is to be widened by the insertion of the words—

and the total or partial refusal of employers, acting in combination, to give work, if the refusal is unreasonable.

Similarly, the definition of "strike," which—

includes the total or partial cessation of work by employees, acting in combination, as a means of enforcing compliance with demands made by them or other employees on employers—

is widened by the addition of the words—
and the total or partial refusal of employees, acting in combination, to accept work, if the refusal is unreasonable.

Mr. BRENNAN.—That is the compulsory work clause; that is Lenin and Trotsky!

Mr. GROOM.—No; what is proposed is a fair and reasonable extension of the definition of a strike. It is proposed to insert in the principal Act a section, 6A, which will impose a penalty upon any person or organization bound by an award of the Court or entitled to the benefit of such an award, who does anything in the nature of a lockout or strike, or continues a lockout or strike. Section 6 makes provision for penalties, but no proceeding can be taken under it unless leave is first obtained from the President.

Section 9 is to be amended in order to protect employees from improper dismissal. At present an employer may not

dismiss an employee because the employee—

- (a) is an officer or member of an organization, or of an association that has applied to be registered as an organization; or
- (b) is entitled to the benefit of an industrial agreement or an award; or
- (c) has appeared as a witness, or has given any evidence, in a proceeding under this Act.

In Tasmania, a company was charged on information with having dismissed an employee by reason of the circumstance that he was a member of an organization, and the magistrate dismissed the information, declaring that, by the Act, the onus was cast on the defendant of proving that he was not actuated by the reason alleged, and that the director of the defendant company had sworn that he dismissed the employee because the latter was dissatisfied, and there was no reason to doubt that testimony. On appeal—the case is set out under the heading of *Pearce v. Peacock*, in 23, *Commonwealth Law Reports*, 199—three out of five Judges held that the finding of the magistrate should be construed as a finding that the defendant was not actuated by the reason alleged in the charge within section 9 of sub-section 4 of the Act, and that there was no ground for disturbing that finding. It is considered, therefore, that the section should be amended for the protection of employees by the addition of the words—

or (d) being a member of an organization which is seeking better industrial conditions, is dissatisfied with his conditions.

Mr. BRENNAN.—Divine discontent must not be penalized.

Mr. GROOM.—Provided, of course, that it is the discontent of a member of an organization that is seeking to better its industrial conditions.

Honorable members are aware that the business of the Court of Conciliation and Arbitration is congested. There are now pending in the Arbitration Court thirty-three Public Service cases, of which three are part heard, and eighteen other cases, of which two are part heard, or fifty-one cases altogether, and, in addition, four applications for compulsory conferences are awaiting consideration. By an amendment of the law made in 1918 power was given to appoint a Deputy President, and that appointment was made; but we now seek the power to

appoint as many Deputy Presidents as may be necessary to deal with the work of the Court. In addition, the pressure of business in the Court will be relieved by the provisions of another Bill, to which I can refer now only incidentally, which provides for the appointment of an Arbitrator to deal entirely with Public Service cases, leaving the President, and his deputies to attend to the ordinary business of the Court of Conciliation and Arbitration.

Section 16A allows the President to summon any person to attend at a conference for preventing or settling an industrial dispute, but that conference must be presided over by him, and it is now proposed to add words to the section which will enable the conference to be presided over by any such person as the President may direct, and which will allow the summons to be either in writing signed by the President or by telegram sent by him.

Mr. GREGORY.—Will the President have power to appoint a State Judge?

Mr. GROOM.—If the President is of opinion that it is desirable to hold a compulsory conference in Western Australia, he may direct that a conference be held in Perth before a Judge, or some other person chosen by him. That amendment will be of considerable advantage. At present, there is much trouble in the calling of a compulsory conference, owing to the fact that a summons has to be issued and delivered. The amendment now proposed will give the President power to summon a compulsory conference, by either formal summons or telegram. Honorable members are aware that the advantage of many conferences results from the fact of their being held speedily.

Mr. GREGORY.—This amendment does not give power to the President's deputy to summon persons to attend the conference.

Mr. GROOM.—It is not as if these were formal trials at which evidence was submitted. The conference is only a meeting of representative parties, and I do not think it will be necessary to give the deputy power to summon.

Section 19 of the Act specifies the classes of cases over which the Court has cognisance. Amongst them are—

(d) All industrial disputes as to which the President has held a conference under section

16A of this Act, and as to which no agreement has been reached, and which the President has thereupon referred to the Court.

That provision is restrictive, and an amendment in clause 7 proposes to give the President jurisdiction, not only in cases in which a conference has been held, but also as to those disputes as to which a conference has been summoned.

Mr. RILEY.—Once the President has summoned the conference, no one can challenge his jurisdiction.

Mr. GROOM.—Once he has summoned a conference in connexion with an industrial dispute, he will have jurisdiction in respect of that dispute.

Section 21AA deals with applications which are made to the High Court for declaration that a dispute exists, and provides that application may be made to the High Court to declare that a dispute extending beyond the limits of any one State exists, and that the decision of the Justices on the question shall be final and conclusive. In the case of the Federated Engine-drivers and Firemen's Association of Australia *versus* Colonial Sugar Refining Company, it was held by Justices Isaacs, Gavan Duffy, and Rich "that sub-section 4 of section 21AA only applies to a decision of a Justice sitting in chambers." We are, by an amendment in clause 8, extending sub-section 4 so that if the application happens to be made to a Justice in Court, his decision shall be equally conclusive and binding.

Mr. RILEY.—Cannot the Arbitration Court be given the same power as is given to the High Court?

Mr. GROOM.—It has been held that the Arbitration Court is not a Court exercising judicial power.

Section 24 provides that where there is a dispute before the Court, and the parties have come to an agreement to which the Judge has certified, the agreement shall be filed in the office of the Registrar—

and unless otherwise ordered, and subject as may be directed by the Court, shall, as between the parties to the agreement, have the same effect as, and be deemed to be, an award.

It is proposed to add at the end of that paragraph the words, "for all purposes, including the purposes of section 38," the intention being to make it clear that the Court has power over an agreement to the same extent as over an award, so that

it may deal with applications for variation or with any technical amendment that may be considered necessary during the currency of an agreement.

Clause 10 contains a rather important amendment to section 28, which provides that—

The award shall be framed in such manner as to best express the decision of the Court and to avoid unnecessary technicality, and shall, subject to any variation ordered by the Court, continue in force for a period, to be specified in the award, not exceeding five years from the date of the award.

(2) After the expiration of the period so specified, the award shall, unless the Court otherwise orders, continue in force until a new award has been made.

That section recently came under review by the High Court in two cases, but, unfortunately, the full text of the decision in one case is not available. In the case of the Federated Gas Employees Industrial Union and the Metropolitan Gas Company Limited and others, as reported in *Commonwealth Law Reports*, volume 27, page 72, it was—

Held, by Barton, Isaacs, Gavan Duffy, and Rich, JJ. (Higgins and Powers, JJ., dissenting), that where the Commonwealth Court of Conciliation and Arbitration has, by an award made pursuant to section 24 (2) of the Commonwealth Conciliation and Arbitration Act 1904-1918, determined an industrial dispute, and has thereby specified a period during which the award is to continue in force, that Court has, within that period, no jurisdiction with regard to a new dispute as to a subject-matter dealt with by that award, although the parties to the new dispute included many who were not parties to the original dispute, and although the genuineness or reality of the new claim was not contested in view of the alleged increase in the cost of living.

Mr. RILEY.—That shows the conservative mind of some of the Judges.

Mr. GROOM.—That is hardly a fair statement. The duty of the Judges is to interpret the laws made by Parliament. This decision was not an attempt by the Judges to frame a law, but was an interpretation of the Act passed by this Parliament, and it is open to Parliament to amend or vary its legislation as it thinks fit. In the course of his judgment, Mr. Justice Powers said—

The action taken in the matter referred to may not have been authorized by the Act; but, if this Court holds that no new dispute about the minimum wage beyond the claim made when the plaint was filed can be dealt with by the Arbitration Court during the term of

an award, the Arbitration Court, until Parliament sees fit to amend the Act, can only "fiddle while Rome is burning," and employees can only resort to strikes to enforce claims employers will not grant. Employees will not in these days try to live on less than what the Arbitration Court has fixed as a living wage. Such a result ought, I hold, to be avoided, unless the Court feels bound to adopt, as the only possible reasonable construction of section 68, the construction contended for by the respondents.

And Mr. Justice Isaacs said—

Without venturing to intrude into a domain not belonging to us, we are impelled to observe that the preservation of the present general plan of section 28 is not inconsistent with a supplemental provision for emergencies that could not reasonably be contemplated, namely, a provision to the effect that, even during the specified period, the arbitration tribunal may, in the event of abnormal circumstances arising which disturb the fundamental justice of the award, have power to adjust conditions.

The object of this legislation is to secure industrial peace and certainty of conditions for employers and employees; and also some definiteness in the settlement of disputes in the interests of the public. In its wisdom Parliament thought fit to enable the Court to specify the period during which an award should continue to have force, the reasons being that employers were entitled to know, with a reasonable amount of certainty, the duration of an award, that employees were entitled to have some security that the minimum wage applied to them would continue for a certain period, and that the public ought to be in a position to realize that a dispute once settled would be ended for a definite period.

Mr. GREGORY.—Is there power to make a variation retrospective?

Mr. GROOM.—Some of the Justices considered that there should be some power to amend an award during the time for which an award stands, and the Government, realizing that there ought to be some elasticity in this regard, have proposed the following amendment:—

Provided that notwithstanding anything contained in this Act, if the Court is satisfied that abnormal circumstances have arisen which affect the fundamental justice of any terms of an award the Court may, in the same or another proceeding, set aside or vary any terms so affected.

That amendment will bring the provision into line with the suggestion of Mr. Justice Isaacs.

Mr. BRENNAN.—There is no power to make an award retrospective.

Mr. GROOM.—No. Seeing that it is proposed to remove the congestion of business and give the Court power to vary an award, the same reason does not exist for making awards retrospective as may formerly have existed when cases were held up for a long period.

It is proposed to amend paragraph *b* of section 29 of the Act, which specifies the persons upon whom an award of the Court is binding, by inserting the words "or notified" after "summoned," thus making the paragraph more extensive in its operation.

Mr. RILEY.—Will that have the effect of making an award a common rule?

Mr. GROOM.—No. The award will only be binding on parties who have been summoned or notified to appear.

In the operation of the Act, section 37, dealing with power to issue orders to take evidence, has been found a little too rigid. The President of the Court may issue an order to any person to take evidence on behalf of the Court in relation to any industrial dispute, but it has been suggested that the Judge ought to be empowered to confine the order to take evidence as to such issues and subject to such limitations as he may direct; that is to say, to enable evidence to be taken, not only in regard to the whole issue, but also in regard to part. Provision is made in clause 12 to carry out this suggestion.

The last clause amends section 39, which deals with the powers which the Court may exercise on its own motion or on the application of parties. The section provides—

The Court may exercise any of its powers on its own motion or on the application of any party to the industrial dispute, or of any organization or person bound by the award of the Court, but no order or award shall be varied and no submission shall be re-opened—

It is proposed to alter "submission" to "question," which is considered a more appropriate word to use—

except on the application of an organization or a person affected or aggrieved by the order or award.

In the administration of the Act it has been found that the public should also have a right to intervene. Therefore, it is proposed to give power to have awards varied or questions re-opened on the application of the Attorney-General. He is responsible to Parliament for the administration of the Act, and if he thinks it right and

proper in the interests of securing industrial peace, which it is his duty to maintain, to make an application for the variation of an award, this amendment will give him the power to submit an application to the Court with that end in view.

On a further examination of the Act it has been found that several other minor amendments are necessary. These have been circulated among honorable members, and I shall move to insert them when the Bill is in Committee. I ask honorable members to agree to the second reading at as early a stage as possible, because, as they can readily see, this is a measure which can be more easily dealt with in Committee.

Mr. RYAN.—Has the President of the Arbitration Court been asked to make suggestions?

Mr. GROOM.—The great majority of the amendments I am now proposing are made on suggestions of the President of the Arbitration Court.

Mr. RILEY.—Is it proposed to amend the Act to enable representatives of employers and employees to sit on the Bench with the President of the Court?

Mr. GROOM.—No.

Mr. RILEY.—Will the Government be prepared to accept an amendment to bring about that result?

Mr. GROOM.—That is a matter which can be dealt with at a later stage.

Debate (on motion by Mr. CHARLTON) adjourned.

Motion (by Mr. GROOM) proposed—

That the resumption of the debate be made an Order of the Day for to-morrow.

Mr. RYAN (West Sydney) [5.45].—I did not quite grasp, from the answer given by the Minister, that the President of the Arbitration Court had been asked to make suggestions or whether he has merely made suggestions from time to time.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter).—The question before the Chair is the fixing of the date for the resumption of the debate.

Mr. RYAN.—That is the question to which I am speaking. If the Minister cannot supply the information I want before the day mentioned in the motion, I may wish to have the debate resumed at a later sitting.

Mr. GROOM.—The suggestions made were forwarded by the President of the Arbitration Court to the Department of the Attorney-General, and many of them have been embodied in the Bill.

Mr. RILEY.—Has the President been asked to make further suggestions?

Mr. GROOM.—He has made suggestions, and they have been considered, but I am not aware that he has been asked within the last few weeks to make any further suggestions.

Question resolved in the affirmative.

BUTTER AGREEMENT BILL.

SECOND READING.

Mr. GREENE (Richmond—Minister for Trade and Customs) [5.47].—I move—

That this Bill be now read a second time.

I wish to explain very briefly the circumstances which have led up to what is known as the Butter Agreement. The policy of the Government is to get rid of all extraneous forms of control of various products and resume normal conditions, but we find ourselves unable to do so in regard to butter for reasons which I hope to make quite clear. On the 9th January, the Government despatched to the British Government the following cablegram:—

My Government would greatly appreciate information as to whether His Majesty's Government propose to continue butter control for any period after expiration of existing contract with Australia. If decided continue butter control, would you kindly give some indication as to probable time such control would continue.

We sent a reminder at a later date, and on 29th January received the following reply:—

With reference to your telegram, 9th January, regret impossible to say at present whether His Majesty's Government will wish continue contract purchase Australian butter or cheese after expiration of present contracts at end of August next. Food Controller, however, inquires what prices producers would be prepared accept for next season's exportable surpluses in the event of His Majesty's Government deciding continue control these commodities beyond that date. Please telegraph reply with least possible delay.

The Government replied on 4th February, pointing out that it would take some time to fully consult the producers and asking the Imperial Government to let us have a reply as soon as possible as to whether they were in a position to tell us the form the Pool would take, or whether they proposed to continue the Pool. In the meantime steps were taken to call together the dairy producers from all parts of the Commonwealth. A very representative gathering, which

was elected by the proprietary as well as the co-operative section of the industry, finally met in Melbourne. I do not know whether the honorable member for Indi (Mr. Robert Cook) remembers that conference, but I think I may safely say that there must have been present from all parts of Australia some seventy or eighty gentlemen. Before the conference met, we despatched the following cablegram to the British Government:—

Referring my telegrams 7th January, 4th and 12th February, *re* butter, a conference has been called for 9th March. Delegates attending from all parts Australia. Would be glad advice relative question further control of butter by British Government, the nature of such control, and its probable duration; also whether, in event of producers deciding to sell, British Government prepared to enter into negotiations. A reply before 9th March would be greatly appreciated.

A cablegram was received about that date from the British Government, in which it was said—

Not possible at present to reply definitely regarding further contract, as question continuation of control here not yet definitely settled.

Honorable members will see that we endeavoured to obtain from the British Government this information. It was recognised at this end that, if the British Government decided to continue the control, and to still remain the sole importers of foreign butters, it would be necessary for us in some way or other to enter into negotiations with them for the sale of our surplus.

The conference was held. I was in the chair, and made it perfectly plain to the representatives of the producers—both proprietary and co-operative—present that the decision arrived at, whatever it was, must be their decision. I pointed out that it was not a question of the Government deciding to sell this produce. I put them in possession of all the information that I have given the House to-day. I read the cablegrams, and told them I could not say at that moment what the British Government intended to do, but that the Government would endeavour loyally to carry out their decision, whatever it might be. I said at this conference—

I am here to tell you, as the representative of the Government, that the decision which is to be made to-day is to be your decision. . . . I want to make it quite clear that it is you, gentlemen, who have got to

Mr. Greene.

come to a decision, and, whatever may be my own personal view on this matter, whatever may be the views of the Government on the matter, we will loyally carry out the decision that you come to.

Mr. RILEY.—That is to say, the butter producers were to fix the price of butter, and the Government would carry out their determination?

Mr. GREENE.—The conference had nothing to do with the fixing of prices. The question before it was whether or not the sale of our surplus should be made to Great Britain.

Mr. FENTON.—That surplus would be determined after local requirements had been satisfied.

Mr. GREENE.—It was simply a question of meeting the local requirements and exporting the surplus. I wish to make it quite clear that we left it entirely in the hands of the conference to say whether they would sell to the British Government or not. I said—

Now, as to the terms of the contract, that is a matter which entirely rests with yourselves.

We did not lay down any conditions. We said that it rested with the conference to do that. I went on to say—

You have got to remember that, if Great Britain continues the control, she may also continue the control of refrigerated tonnage.

I need not quote further from my remarks on that occasion. I desire to give the House the terms of the resolutions which were passed at the Conference—resolutions arrived at by men dealing with their own produce. The resolutions were—

1. That this conference of representatives of the dairying industry of the Commonwealth favours a return to pre-war conditions of marketing butter and cheese when the present contract with the Imperial Government terminates in August next, and that there be freedom from price fixation and all other Government restrictions.

2. (a) That this Inter-State conference be urged to request the Minister to inform the Imperial Government that the producers desire a free market.

- (b) That in the event of the Imperial Government deciding to retain control of the importation and sale of dairy produce in Great Britain after the completion of the present contract, the Commonwealth Dairy Produce Pool Committee be empowered to negotiate with and sell to the Imperial Government next season's surplus butter and cheese.

Honorable members will note that they asked in the first place that the Government press for a free market, and that,

secondly, they resolved that in the event of Great Britain refusing a free market the Commonwealth Dairy Produce Pool Committee be empowered to negotiate and sell.

3. That when the Commonwealth Dairy Produce Pool Committee ascertain what the nature or extent of the control to be exercised by the British Government is, they open up negotiations, acting in concert with our representatives, if any, which may be appointed in London, with the object of attaining the highest possible price for the surplus butter and cheese of the Commonwealth.

4. That it be a recommendation to the Commonwealth Dairy Produce Pool Committee that two representatives be appointed to proceed to London at the earliest possible date.

Then followed some other resolutions which have no direct bearing upon this matter. It was decided further—

7. That it be a recommendation to the Government in the event of our effecting a sale to the Imperial Government that the existing Committee—

That is to say, the Commonwealth Dairy Produce Pool Committee—

be re-appointed for a further term of twelve months.

8. That in the event of a sale being effected, the Federal Government be asked to include in the functions of the Committee, powers which will enable it to continue to see that each factory placed its proper quota on the local market in order to fully supply the requirements of the Commonwealth.

These are the resolutions which this representative body passed. Subsequent to the meeting of the Conference the following cablegram, dated 23rd March, 1920, was sent by us to the Secretary of State for the Colonies—

Adverting to my telegrams, 5th March, and previous dates, representative Inter-State conference of dairymen has considered question of sale to the British Government of surplus butter and cheese for further period of twelve months, and desires me to urge their wish for a free market. If, however, His Majesty's Government decides necessary to continue control dairy products, will be much obliged for earliest possible information as to nature of control proposed to be exercised, and particularly if it would involve purchase by British Government of foreign butter as heretofore. In that event producers willing to negotiate.

We received no reply to that telegram, and as time was going on the Commonwealth Dairy Produce Pool Committee, acting on the instructions which it had received from the Conference, decided to appoint two delegates to proceed to London for the purpose of interviewing the British Government. These delegates

were to press first of all for a free market, and, if they could not obtain a free market, to enter into negotiations for the sale of the surplus butter and cheese of the Commonwealth.

Mr. AUSTIN CHAPMAN.—Did not the Government ask for a reply to that cablegram? It is rather extraordinary that a further reminder was not sent.

Mr. GREENE.—I do not see a copy of any such reply among my notes. I asked to be supplied with copies of all cablegrams, and I cannot for the moment remember whether a reply was or was not received. The important fact is that these delegates went to London. Whilst they were on the water the British Government announced that they had decided to decontrol cheese and to still continue the control of butter.

Mr. RYAN.—Did they give the date on which the decontrol of cheese would come into operation?

Mr. GREENE.—I can obtain that information for the honorable member. As a matter of fact, cheese is not controlled in Britain to-day, but butter continues to be controlled there. As the season was drawing to a close, and as these negotiations generally take some time, it was considered advisable, whilst we were awaiting a reply, that two delegates should go to London, and they were accordingly despatched on their mission. Mr. Hugh Sinclair, who represented Moreton in this House for many years, was one of those appointed by the Dairy Produce Pool Committee, and Mr. Osborne, of the Western District Co-operative Association, was the other. We gave them letters in which we informed the British Government that they had been empowered by this representative Conference of dairymen to enter into negotiations with the Home Government for the sale of their produce, and we also told them that, as far as practicable, in the event of a contract being entered into, the Australian Government would support their action.

Mr. RILEY.—Then they are really delegates from the Government.

Mr. GREENE.—I have been endeavouring to make it quite clear that they are not Government delegates in the ordinary acceptation of the term. They were authorized by the producers to negotiate on their behalf.

Mr. GIBSON.—And their expenses are being paid by the producers.

Mr. GREENE.—Yes.

Mr. RILEY.—But the Government gave them credentials.

Mr. GREENE.—We gave them the ordinary credentials which, in the circumstances, they were entitled to receive. I have here copies of all the cables which passed between the representatives in England and the Commonwealth Dairy Produce Pool Committee on whose behalf they were acting. The Commonwealth Dairy Produce Pool Committee was acting on behalf of the producers. I shall not read the whole of these messages since they are lengthy, but shall make a few extracts from them. The following message was received from the delegates—

Accompanied by High Commissioner, interviewed Minister. Request for free market refused.

That is to say, they backed up the request we originally made to the Imperial Government on their behalf for a free market, and the Imperial Government refused it. The cable concluded—

Government having decided retain control till 31st March.

That is the 31st March, 1921, and that answers the question put to me a little while ago by the honorable member for Humé (Mr. Parker Moloney). On the 23rd June, 1920, this cable was received—

After lengthy negotiations with Controller and Committee we obtained definite offer 240s. f.o.b. Delivered cool stores Australia until end March ninety grade one shilling point up and down other details not arranged same conditions as before.

That is to say, the price of 90 points butter was to be 240s., with 1s. up or down, as the case might be, as the butter graded under or over the 90 points, on the same conditions as to payments as in the previous contract, with 3s. additional for unsalted. The Dairy Produce Pool Committee replied as follows:—

Accept 240s. basis 90 points f.o.b. Delivery Australian stores end of March prefer 1s. 6d. on every 2s. per lb. up or down. Assume 3s. unsalted, and same conditions as before Committee leave details your hands confirm.

The delegates replied as follows:—

Butter contract arranged £12 f.o.b. Australia cool stores until end March contract conditions same as before except storage average six weeks reserve our right to ship not exceeding 50 tons per month to South Africa.

That, I think, pretty well covers all that I need say as to the negotiations which took place. It will be noted that the British Government refused to decontrol butter. The London market is far and away the most important market for our surplus dairy products. In view of the fact that the British Government was still controlling refrigerated tonnage, it would have been a fatal mistake on our part not to have entered into some definite contract. I know, as a matter of fact, that Britain has bought in the bulk—in very much the same way, though not necessarily dealing in a direct manner with the producers—very large quantities, and I believe the price we are receiving on this occasion is on full parity with any other butter she is buying.

Mr. GREGORY.—That has not been the case in the past, has it?

Mr. GREENE.—That has not been the case in the past.

Mr. FENTON.—Is Britain paying us the same as for New Zealand butter?

Mr. GREENE.—The negotiations with New Zealand are not complete; but I think they will be very shortly. I understand that the basis with New Zealand is 2s. premium over the Australian price—242s. instead of 240s. per cwt. The information which I have received, through the courtesy of the Dairy Produce Pool Committee, from the delegates in England goes to show that the difference between the price in England and the Australian price is nearly 9d. per lb., which represents the cost of storage, shipping, and distribution, as between Australia and the consumer in England.

Mr. RILEY.—Do you say that the British people pay 9d. per lb. more than is paid here for butter for local consumption?

Mr. GREENE.—If the butter is at 240s., which represents the wholesale price, and is, I think, about 2s. 1½d. per lb., the English price is in the vicinity of 3s.; that is the price of butter to the consumer in London to-day.

Mr. GIBSON.—That is the fixed price?

Mr. GREENE.—That is the fixed price.

Mr. GIBSON.—Did you notice in the press the other day that England was purchasing butter at 420s. per cwt.?

Mr. GREENE.—I do not think that is so. I can show the honorable member a good deal of correspondence of one sort and another, which, I feel sure, does not bear out that statement. Such may have appeared in the press; but I am confident, from the information I have from various sources, that this sale to the British Government is as close a parity as it is possible to get. The British authorities who dealt with the delegates considered them a "pretty hard nut to crack," and those authorities are not sure they will be able to dispose of the butter at the price they are paying for it.

Mr. GIBSON.—Have you any indication that the price of 240s. will be increased?

Mr. GREENE.—I have no indication of that kind; all the information I have is that we have got the biggest price it is possible to get in the circumstances—the biggest price we could expect.

Mr. GREGORY.—What is the average wholesale price in the United States of America?

Mr. GREENE.—I cannot say. From all the information I have, I believe that this sale is one really advantageous to the dairymen. What I wish to make quite clear, and to assure honorable members of, is that, in introducing this Bill, which is simply to support the contract and enable it to be carried out, the Government are endeavouring to give effect to the wishes of the dairymen so far as it is possible to do so. The Government have no particular desire in one direction or the other, but from my fairly intimate association with this industry over a long time, I believe, as I say, that the British market is far and away the most important one to Australia, and we cannot afford to play with it.

Mr. GREGORY.—Did Britain not get the first lot of butter at about 175s.?

Mr. GREENE.—Britain got that butter cheaper than it ought to have got it; at the same time, we were then in the position that, unless we sold to England, we had not the ghost of a chance of shipping our surplus at all.

Mr. STEWART.—And Great Britain took advantage of that fact!

Mr. GREENE.—I would not say that for a moment. At that particular period in our history, with the shipping in the position it was, unless we sold to Britain and got the priority of shipment she

gave us, we had no earthly hope of getting rid of our surplus stock.

Mr. STEWART.—And Britain took advantage of the fact!

Mr. GREENE.—I do not think the honorable member is justified in saying that.

Mr. GIBSON.—Who made that sale at 175s.?

Mr. GREENE.—It was effected by the Government, after consultation with the producers, and as a result of resolutions passed by them.

Mr. FENTON.—Can the Minister give the House any idea whether the British Government have taken control of Danish butter?

Mr. GREENE.—The British Government are the sole importers of Danish butter into England; and the last purchase, c.i.f., was, I think I am right in saying, made at 249s.

Mr. RYAN.—What need would there be for this Bill if it were not for the fact that a higher price could be got elsewhere?

Mr. GREENE.—I do not think that is so.

Mr. RYAN.—Does it not look like it?

Mr. AUSTIN CHAPMAN.—It looks as if we were going to be "squeezed" again.

Mr. GREENE.—I do not think the honorable member is quite right in saying that. We have to finance this thing.

Mr. RILEY.—The Government?

Mr. GREENE.—Not the Government; but, somehow or other, the financing of the contract has to be arranged. There must be a buyer and a seller; somebody must receive the moneys and disburse them; there must be a channel through which the British Government can pay for the butter. It is to overcome these legal difficulties, and to put things thoroughly in order, that we are bringing in the Dairy Produce Pool Committee, and clothing it with power to carry out the contract. That is all that is being done.

Mr. RYAN.—The Bill says to the producer, "You shall not export your butter to any one else."

Mr. GREENE.—Once having entered into a contract, we must fulfil it, and the only way we can fulfil it is by somehow getting control of the produce which has been sold, and which forms the subject of the contract itself.

Mr. RILEY.—The Government have not entered into the contract?

Mr. GREENE.—No, we have not.

Mr. RILEY.—That is the whole point.

Mr. GREENE.—What the Government have done is to sanction this agreement which has been entered into, and now we ask the House to sanction it also.

Mr. CHARLTON.—Have the British Government any power to compel us to deliver the surplus butter to them, seeing they have decided they are going to control butter until March next year?

Mr. GREENE.—The position, I take it, is, roughly, this: Supposing no contract was entered into.

Mr. RYAN.—What would happen?

Mr. GREENE.—The position would be that various people in Australia would send their butter to Great Britain, and the British Government would commandeer it at the border, at whatever the price happened to be at the time.

Mr. RYAN.—Then there is no use for the Bill.

Mr. GREENE.—There are two difficulties associated with that.

Mr. AUSTIN CHAPMAN.—Is this Bill to stop the producers sending the butter somewhere else, where they could get a better price?

Mr. GREENE.—I do not say that at all.

Mr. AUSTIN CHAPMAN.—It looks to me like it.

Mr. PARKER MOLONEY.—That is exactly the position.

Mr. GREENE.—All this Bill does, so far as I understand it, is to enable the contract which has been entered into on behalf of the producers, and by the producers themselves through their representatives, to be given effect to—it does that, and no more. In this connexion I should like to read a telegram received from the Secretary of State for the Colonies, on the 1st July, 1920—

Food Controller confirms contract signed by Osborne and Sinclair on behalf Commonwealth Dairy Produce Pool and requests Commonwealth Government take necessary steps to insure fulfilment contract.

That is all that the Bill does.

Mr. RILEY.—What quantity of butter will there be for local consumption, and what quantity will be exported?

Mr. GREENE.—To answer the question, I should have to know how much rain is to fall, and how well the grass will

grow. The object of the Bill is to clothe the Commonwealth Dairy Produce Pool Committee, in accordance with a resolution passed by the Committee, with full power to see that every factory puts on to the market the quota of butter necessary to maintain the local supplies, and I believe that that will meet the situation. For all practical purposes, the industry will be conducted under normal conditions, except that, instead of the surplus butter being exported through various merchants, there will be a bulk sale of it.

Mr. RYAN.—Who compose the Committee?

Mr. GREENE.—The Committee has been in existence for three years, and operates under an Act of Parliament. I could not from memory tell the honorable member the names of those who compose it. They are mostly men elected by the various interests in the dairying industry, with three Government nominees. The deputy chairman is Mr. Hugh Sinclair, formerly the member for Moreton, and the Commonwealth Dairy Expert, Mr. O'Callaghan, is a member. The Minister for Trade and Customs is *ex officio* chairman, and I have had the honour to occupy that position from, I think, the beginning.

Mr. GABB.—Are there any middlemen on the Committee?

Mr. GREENE.—There are three or four middlemen, in the ordinary acceptance of the term.

Mr. GIBSON.—There are representatives of co-operative societies—Messrs. Wilson and Osborne.

Mr. GREENE.—There are also representatives of the proprietary factories and of the co-operative factories. Every State is represented—New South Wales, Victoria, and Queensland by five representatives each, and South Australia and Tasmania by one each.

Mr. FENTON.—Did the Minister say that the two gentlemen who proceeded to London, finding that they could not get a free market there, entered into a contract on behalf of the producers of Australia?

Mr. GREENE.—Yes; and that contract has been signed and sealed.

Sitting suspended from 6.26 to 8 p.m.

Mr. CHARLTON (Hunter) [8.0].—The Bill before us is very small, but it is very important, and one that concerns

not only the butter producers in the Commonwealth, but Australia as a whole. The measure provides for an agreement between the British Government and the Australian Butter Pool, and under its provisions, no butter will be exported after the agreement comes into operation without the approval of the Butter Pool. Every one admits that our surplus products should be disposed of in the most favorable markets, in order that our producers may obtain the best prices, and incidentally assist the Commonwealth. It is well known that we produce a considerable surplus of butter. I have before me a statement made in the *Victorian Journal of Agriculture* by Mr. R. Crowe in regard to this matter, in which he says that during the past season seven-eighths of our production was consumed locally; and, therefore, the quantity available for export, and coming under Commonwealth control, represents only one-eighth of the production. *Knibbs'* figures in regard to production show that, in the period from 1909 to 1913, the butter produced in Australia represented 945,014,305 lbs., valued at £47,742,910. The quantity consumed in Australia during that period was 557,408,071 lbs., valued at £28,160,720, leaving a surplus for the five years of 387,606,234 lbs. If we take the figures for the years 1914-15 to 1918-19—a further period of four years—it will be found that the quantity of butter produced in Australia was 896,413,192 lbs., valued at £58,733,739. Of that quantity we consumed in Australia 643,015,392 lbs., valued at £42,130,904, leaving 253,397,700 lbs. as a surplus. It will be seen from these figures that we produce a large surplus, and that it is necessary that provision should be made to market it under the most favorable circumstances. The question then arises as to whether the arrangement embodied in the Bill will do what it is intended; I am very doubtful. The Minister for Trade and Customs (Mr. Greene) stated that a conference of butter producers was held recently, at which the question of the fixation of prices was discussed, and at which the representatives were of the opinion that the butter producers should have the freest possible market in disposing of the surplus quantity. That was practically agreed to, and delegates

were sent to Great Britain to enter into an arrangement with the British Government. We are now being asked to sanction an agreement providing for the sale of butter at 240s. per cwt. f.o.b., which works out at approximately 2s. 1.6d. per lb. During recent years I have a vivid recollection of different Boards fixing the prices of certain commodities produced in this country. In connexion with wool, a committee was appointed to deal with that product, and we have ascertained recently that some have made a tremendous profit as a result of the price at which the wool was sold when that profit should have gone to the Australian producer.

MR. GREGORY.—Exactly the same thing occurred in regard to a previous sale of butter.

MR. CHARLTON.—Yes; and in connexion with wheat we find the same thing prevailing. Boards have fixed the price of wheat, and after it has been exported it has been sold at practically double the price at which it was sold by the producer, thus enabling others to reap the benefit from fixed prices. In view of these instances, which have occurred quite recently, it seems strange at this juncture, when there is a scarcity of commodities in other parts of the world, that we should be asked to sanction an agreement which may be the means of depriving the producer of that profit to which he is justly entitled. The future price of butter will depend largely upon upon the conditions abroad. In Europe to-day the situation is bad enough; and in view of what is transpiring, always allowing for the intervention of bad seasons, it is more than likely that butter will be at a very high price for a considerable time to come. If we enter into the agreement contained in the Bill, and fix a price of 2s. 1d. per lb., it is quite probable that within a very short time the retail price of butter will be in the vicinity of 3s. or 3s. 6d. per lb.

MR. MACKAY.—It is the producers who have made this sale to the British Government.

MR. CHARLTON.—Yes, and I am at a loss to understand why.

MR. RICHARD FOSTER.—Does the honorable member suggest they do not know their own business?

Mr. CHARLTON.—I am not saying that, but merely expressing an opinion. In view of what has happened here, there is a good deal to be said in support of my contention. We have made mistakes, and it is possible that we are on the verge of committing another. At the conference of butter producers, to which I have referred, the representatives asked to have the fullest freedom in regard to marketing. What will be the position if butter is fixed at 2s. 1d. per lb., and there is a better market in, say, South Africa?

Mr. GREENE.—I omitted to say that, under the terms of the contract, the producers will have the opportunity of meeting the normal trade of the Commonwealth, and in other centres, including 500 tons, I believe, for South Africa.

Mr. CHARLTON.—The Minister for Trade and Customs now says that he omitted to place certain facts before the House, and that certain latitude is to be allowed. If the producers are to have freedom, they should not be tied at all, and should be allowed to take the fullest advantage of any market abroad. It may be said that the price arranged is a good price, because it is practically the same as they would be receiving in Australia. To-day the producer is obtaining 2s. per lb., or perhaps a little less, and the price embodied in the agreement is slightly higher. But we know that in the event of a drought intervening, and during the winter months, the supply would be reduced, with the result that prices would rise. Before we export any surplus, we should make sure that our own people obtain the commodity at a reasonable price—

Mr. LISTER.—What of coal?

Mr. CHARLTON.—That is exactly what we are doing to-day, as our coal is being sold at such a reasonable price that we can send it to the Baltic and elsewhere at a cheaper price than British coal can be supplied.

Mr. MACKAY.—Does the honorable member advocate an embargo?

Mr. CHARLTON.—I have never said one word about an embargo on the export of butter. In connexion with all our products, we should allow the people of the Commonwealth to obtain them at a fair and reasonable price; but by that I do

not suggest that we should rob the producer; he should receive a fair price for the work he performs.

Mr. RICHARD FOSTER.—Is not the world's parity a fair price?

Mr. CHARLTON.—We do not know what the world's parity may be next week. We may enter into an agreement to sell butter at 2s. 1d. per lb., but in a month's time it may be worth 2s. 6d.

Mr. RICHARD FOSTER.—The experts take all such possibilities into consideration.

Mr. CHARLTON.—I am quite aware of that. In connexion with our wheat and wool, the experts thought that the price decided upon was a reasonable one; but we ascertained later that it was about one-half of the proper price, and that others derived the benefit.

Mr. RICHARD FOSTER.—But we are now getting back to normal conditions.

Mr. CHARLTON.—Then, if such is the case, why do not we give the producer freedom to market? Why is there any necessity for passing legislation of this character?

Mr. RICHARD FOSTER.—The producers, through their representatives, have asked for it.

Mr. CHARLTON.—I am merely expressing my opinion, and I represent as many dairy farmers as any honorable member in this House. I have to answer to them.

Dr. EARLE PAGE.—The British Government does not give a free market.

Mr. CHARLTON.—Exactly. I asked the Minister for Trade and Customs whether there was anything to permit the British Government to interfere in regard to sales, and he replied in the negative.

Mr. GREENE.—I did not think I had said that.

Mr. CHARLTON.—I asked if there was any power in existence which compelled us to sell the butter to the British Government—

Mr. GREENE.—No; I said the British Government could commandeer the butter at a fixed price.

Mr. CHARLTON.—I do not think the British Government would commandeer any commodity without giving a price equivalent to that which could be obtained elsewhere. Therefore, it is all the more

necessary that this should be an open question.

Mr. GREENE.—They are the sole importers of butter to England to-day.

Mr. CHARLTON.—I admit that; but that fact does not give them power to compel us to sell butter to them.

Dr. EARLE PAGE.—Where could we sell it?

Mr. CHARLTON.—Wherever we can. If the markets in Great Britain were to advance 6d. per lb. within the next two or three months, and we had freedom to sell at London parity, our producers would get 3d. or 4d. per lb. more. We cannot tell what may happen.

Mr. HILL.—Our market is limited. The people who would buy and pay high prices have neither cash nor credit.

Mr. CHARLTON.—That is my argument. We should broaden this transaction, and have the utmost freedom in the sale of our produce. We are no longer at war; we want to get back to normal conditions. The producers at their conference said that they wanted a free market; now we are legislating to compel them to sell at a fixed price, whereas within the next two or three months butter may be worth 3s. per lb., and somebody other than the producer will be getting the increase. There is not much prospect of butter being cheaper in Europe than it is to-day; the tendency is rather for the price to increase. Therefore, I do not see why we should be legislating to restrict the market for the butter producers. They ought to have the widest possible field, and get the best price offering.

Mr. MACKAY.—Does not this Bill merely indorse the agreement made by the representatives of the producers?

Mr. CHARLTON.—I have admitted that the representatives of the producers have agreed to this arrangement, and that the Government are introducing this Bill merely to give effect to it; but I do not think it is in the best interests of the producers, and if the price of butter abroad does rise, and middlemen are making a profit at the expense of our producers, I desire to be able to turn up my speech in *Hansard*, and show to my constituents that I made my protest against this arrangement.

Mr. RICHARD FOSTER.—Suppose the price of butter falls.

Mr. CHARLTON.—We must take the risk, but the tendency is for the price to

increase. European countries are not recovering from the war as rapidly as Australia is doing; their conditions are still very much disturbed. In view of what has happened in connexion with the sale of our primary products during the last two or three years, the producer would be better off if he were not hampered by legislation of this kind.

Dr. EARLE PAGE.—Who will handle the butter if the Pool does not?

Mr. CHARLTON.—I do not argue that the Pool should not handle it; but the Pool should have access to the open market, so that it can sell the commodity for whatever price is offering.

Dr. EARLE PAGE.—The controllers of the Pool asked for this Bill.

Mr. CHARLTON.—I have admitted that; but it does not follow that I must agree with the proposal. Is it not possible for the representatives of the producers to make a mistake?

Mr. RICHARD FOSTER.—Surely the honorable member will not set up his opinion against the combined opinions of the representatives of the producers?

Mr. CHARLTON.—In view of what has happened during the last two or three years, I think it would be better for the producers to have the free market for which they asked at the conference.

Dr. EARLE PAGE.—Butter was controlled by the Government then; now it is controlled by the producers' own organization.

Mr. CHARLTON.—Do not forget that the same Pool is still in existence.

Mr. ATKINSON.—What would be the position if this Bill were not agreed to?

Mr. CHARLTON.—The producers would have an open market, and could dispose of their produce in any part of the world.

Mr. GIBSON.—And what would happen to the sales made to the Imperial Government?

Mr. CHARLTON.—If such sales have been made the producers are in honour bound to complete them, even without legislation of this kind.

Dr. EARLE PAGE.—Where will the butter be obtained if the agreement is not ratified?

Mr. CHARLTON.—There will be the surplus over and above local consumption, and only that surplus should be exported.

Dr. EARLE PAGE.—But how will the Pool get possession of the surplus?

Mr. CHARLTON.—The producers will send their commodity through the ordinary channels until it reaches the Pool. There need be no trouble on that score.

Mr. GREENE.—The trouble will be that there will be no legal body to deal with the butter unless we give the Pool some power and control.

Mr. CHARLTON.—We can always find a purchaser for an article that is in demand. Without this agreement we should have an open market, and the utmost freedom to dispose of our product wherever it was required. The mere fact that the representatives of the producers have entered into an agreement is not in itself a reason why we should accept this legislation. If they have a mind to carry out the agreement and dispose of the butter at the price agreed upon that is their affair, and if later it is found that they could have obtained a better price for their commodity they will have to answer to the producer.

Whilst I favour the export of our surplus butter, we ought to be able to supply our own people at a reasonable price.

Mr. HILL.—What does the honorable member call a reasonable price?

Mr. CHARLTON.—I am not in a position to answer offhand, except to say that we should give the producer an adequate return for the labour employed in producing the butter, and something extra to put by for a rainy day.

Mr. HILL.—Would the honorable member be surprised to learn that, during the last three months, it has cost 4s. per lb. and upwards to produce butter in the dairying districts of Victoria?

Mr. CHARLTON.—I do not dispute that, because I know the conditions that have obtained during the past few months, but we must take the seasons by and large right through the year. The honorable member for Echuca (Mr. Hill) will admit that, about a month hence, we shall be producing much more butter. As a rule the price of butter does fall lower about this time of year than it is to-day, but I do not think it will ever fall to the pre-war price, because the cost of everything has risen, and the dairy farmer is entitled to an advance just as much as is anybody else.

Dr. EARLE PAGE.—How shall we get a reasonable price if the world's parity should be lower than the honorable member has estimated?

Mr. CHARLTON.—We shall have to do the best we can with the exportable surplus. The law of supply and demand operates with butter as with anything else, but the Australian people should be able to get their butter at a price fair to both the producer and consumer.

Mr. STEWART.—It would be most difficult to fix a fair price. How would the honorable member arrive at it?

Mr. CHARLTON.—I admit the difficulty, but the price will be arrived at by the supply available and the demand for it. Nobody can expect the price of butter to fall to the pre-war level, in view of the fact that there has been an advance in the price of everything else. The price must be sufficient to put the producer in the same position as he occupied prior to the war.

Mr. GIBSON.—Would the honorable member regulate the fair price by Act of Parliament?

Mr. CHARLTON.—I do not think that that would be possible. The price is largely determined by the seasons. Reverting to the exportable surplus, I hope that the Government will see that an artificial scarcity in the local market is not created for the purpose of keeping up the price. We know that in the past large quantities of beef, mutton, butter, and other commodities were kept in cold storage until the prices rose very high. There is no justification for storing the butter for export and compelling the local consumers to pay high prices. Provision ought to be made for the requirements of Australia to be met before any large quantity of butter is placed in the cold stores. This measure leaves the control with the Pool and the Minister. I am of opinion that the Butter Pool, and every other Pool, should include a representative of the public. Somebody ought to be appointed to the position to watch the interests of the general public, and see that everything is done fairly and above board. I believe the producers desire everything to be done fairly and squarely; and I understand that their representatives in this House advocate that.

Mr. MACKAY.—Does not the honorable member think that the producers are as honest as are the workers?

Mr. CHARLTON.—Three-fourths of my constituents are farmers, and I have always admitted that they are a fine body of men. I have not a word to say against them; I am merely contending that the interests of the public ought to be con-

served in connexion with all these bodies for the control of commodities. It would be an advantage to the producer if the middle-man could be eliminated altogether. The producers would not suffer through the appointment of somebody to represent the general public on the Pool; that representative would merely see that things were done fairly.

Mr. GREENE.—Does not the honorable member think that the Minister is capable of representing the public and seeing that a fair deal is given all round?

Mr. CHARLTON.—Ministers generally have more work in attending to their Departments than they can properly perform; they have not the time to attend to all the ramifications of these Pools. The Committee of a Pool will decide certain things, and make a recommendation to the Minister. The Minister will look at the recommendation and sign it. He cannot be in close touch with everything that happens in connexion with these various bodies; he must accept the word of the controlling Committee. What I desire is a man sitting on the Committee as the representative of the public interest to see that even-handed justice is given all round.

Mr. GIBSON.—Are the public represented on the Wages Boards?

Mr. CHARLTON.—Although there is no representative of the public on a Wages Board, the Chairman is supposed to hold the scales truly and fairly, and on the evidence adduced decide what is best in the public interest. The Pools are on quite a different footing. I have no objection to a Pool looking after the interests of the producer, but I do object to an agreement being made by Act of Parliament which will probably rob the dairyman in the near future of some profit to which he will be entitled, and which will go into the pockets of some intermediaries.

Mr. STEWART.—The inference to be drawn from the honorable member's statement is that he knows better what is suitable for the primary producers than they themselves know.

Mr. CHARLTON.—I do not infer anything of the kind. Honorable members are at liberty to form opinions of their own on these matters, but I regard it as my duty to place my personal views on this question on record. In doing so I wish to assist those whom the honorable member for Wimmera (Mr. Stewart) represents here. I am as much

in sympathy with dairymen as is any other member of this Chamber. I do not approve of the agreement, because I think it would have been better if our butter producers had been left an open market. We cannot estimate the millions of money lost to the producers of this country during the war by the fixation of the prices of commodities, which we know have at times brought double the prices that were fixed.

Mr. STEWART.—Those prices were not fixed in this manner.

Mr. CHARLTON.—They were fixed through Boards appointed by the Government.

Mr. STEWART.—They were fixed by the Government, and the producers concerned had no say in the matter.

Mr. CHARLTON.—The honorable member will agree with me that the reason why the butter producers have entered into this contract is because they think that a good price is being obtained, and one that will compare more than favorably with the prices obtained in the past. I say that throughout Europe prices will probably never come down to what they were before the war.

Dr. EARLE PAGE.—Do not say that.

Mr. CHARLTON.—I say unhesitatingly that since the war the workers have learned their strength in every country. In proof of that, we are in a better position in Australia to compete in many industries with people abroad than we were at any time before the war. The increase in wages in other countries must have its influence on the prices of commodities in those countries.

Mr. GREGORY.—Prices generally are not likely to come down.

Mr. CHARLTON.—In the building of ships we are able in Australia to-day to compete with any other country in the world. Before the war we could not think of doing so. The difference between wages paid abroad and wages paid in Australia before the war was so great that in many industries it was impossible for us to compete without the assistance of a high Tariff. I believe that at the present moment the Australian producers of butter would be in a better position than they will be under the agreement if they had a free market for all the butter they can export from this country.

Mr. GREGORY.—What should they do with the butter which they sell in Australia?

Mr. CHARLTON.—I speak of the butter which they can export after supplying local requirements.

Mr. GREGORY.—What about the price of butter supplied for local requirements?

Mr. CHARLTON.—I have made my position on that point perfectly clear. I believe that our people should be able to secure commodities that are produced in Australia at a reasonable price.

Mr. GREGORY.—And the honorable member would fix the price?

Mr. CHARLTON.—I would fix it at a price which would give a reasonable return to the producer. I have always recognised the producers as representing the backbone of the country. I know the disabilities under which they labour, and I desire that they should be given an adequate return for all that they produce. I feel that this legislation is quite unnecessary, and that it would be far better in the interests of the butter producers if they were left free to secure the full value of their product wherever it is sold outside of Australia.

Mr. GIBSON (Corangamite) [8.34].—It seems to me that this Bill has become absolutely necessary, because of the sale that has been effected of one of our primary products. It is necessary to give the agreement which has been entered into legislative authority, so that it may be properly carried out, and our butter producers may obtain the price of 240s. per cwt., secured by Messrs Sinclair and Osborne, who I am sure made the best contract that it was possible to make at the time the agreement was entered into.

Mr. RYAN.—What is the agreement?

Mr. GIBSON.—It is an agreement by which we are to receive 240s. per cwt. for our butter.

Mr. RYAN.—More than that.

Mr. GIBSON.—More, if the butter is of a higher quality than the average and less if it is a lower quality. This contract was entered into to extend from 1st August to 31st March, and, as I understand the matter, the Bill will be operative only during that period.

Mr. GREENE.—That is so.

Mr. GIBSON.—I look upon the Bill as a measure to enable the butter producers to carry out the contract that was entered into. It is quite possible that a better price than 240s. per cwt. will be received for butter.

Mr. RYAN.—Is that why this Bill is necessary?

Mr. GIBSON.—There might be something in that. I am inclined to think that a higher price than 240s. will be offered for our butter, and I have sufficient faith in the Imperial Government to believe that if it is offered we shall get that higher price. As a matter of fact, negotiations are in progress at the present time to secure a higher price. Whilst the Minister for Trade and Customs (Mr. Greene) was speaking, I interjected to remind him that butter was bringing as high a price as 420s. at Home. I noticed in the press the other day a quotation of 420s. per cwt. for, I think, Irish butter.

Mr. RYAN.—Is this agreement not in writing? Can we not peruse it and see what it contains?

Mr. GIBSON.—I cannot tell the honorable member. I speak of what I have seen in the press.

Mr. MAHONY.—Has the honorable member seen the agreement?

Mr. GIBSON.—No; I have not.

Mr. MAHONY.—Then the honorable member does not know any more about it than we do.

Mr. GIBSON.—I know that the price is to be 240s. per cwt. I think that the Minister read sufficient of the agreement to let us know what the position of our dairymen will be. He also said that the price for New Zealand butter has not yet been fixed. I think that he made a mistake there, because we were led to believe that New Zealand butter would be placed on the London market through co-operative companies in the Old Country.

Mr. GREENE.—I was speaking, only yesterday in my office, to three men, one of whom is closely associated with the Government Department which deals with the matter, and they told me that the contract was not completed and that the New Zealand Government was negotiating with the Imperial Government on the same basis as our contract with a premium of 2s.

Mr. GIBSON.—I have no doubt that if the New Zealand producers get a premium of 2s. on our price, the Australian producers will be given the same advantage.

Mr. GREENE.—It has always been the practice, though I do not know why, to give New Zealand a slight premium over Australia, because, in pre-war days, New Zealand butter always secured a small premium over Australian butter.

Mr. GIBSON.—I was very agreeably surprised to find the Deputy Leader of the Opposition (Mr. Charlton) taking such a keen interest in the primary producer, and to find that he was being followed by many other honorable members on the opposite side. When I entered this House eighteen months ago, I was surprised to find how little interest honorable members opposite took in the primary producer. Since the establishment of the Country party, it seems to me that honorable members on both sides are anxious to consider the interests of the primary producer, and I hope that he is coming into his own, as a result of the influence of the little party that is now established on the cross benches.

The dairying industry is one which deserves very great consideration. It is worth something like £19 000,000 per year, and I regret to say that it is absolutely going backwards notwithstanding the fact that prices are going up. To-day in Australia we have 200,000 dairy cows less than we had in 1913, and that, notwithstanding the fact that the numbers of other cattle have increased. This shows that the dairyman is going out of business, and it will be an unfortunate thing for this country if he does. Let me inform honorable members of what has happened as the result of the last sale of butter effected, not by the representatives of the dairymen, but by the Government.

Mr. GREGORY.—By the Prime Minister.

Mr. GIBSON.—The honorable member suggests that the sale was effected by the Prime Minister. That sale was effected at 175s. per cwt. at a time when the British Government were paying 300s. per cwt. for butter. We sold our second-grade butter, not fit for consumption in Australia, to the East at 205s. per cwt.

Mr. GREENE.—I do not think it is fair to say that that butter was unfit for consumption.

Mr. GIBSON.—I will say that it was not good enough for Australians, and that will qualify my statement sufficiently. The price at which the sale was effected was 175s. per cwt., and we got 243s. per cwt. from South Africa. That is the treatment the dairymen received in connexion with the last sale of Australian butter.

Mr. MACKAY.—At that time 175s. per cwt. was regarded in Queensland as a good price, considering the difficulties of shipping.

Mr. GIBSON.—That may be so; but we shipped to Africa for 243s. per cwt., and to the East for 205s. per cwt.

Mr. MACKAY.—I know that the Queensland producers were satisfied that it was a good price.

Mr. GIBSON.—Our producers have themselves effected the last sale, and they had sufficient common sense to make a contract covering a short period. It terminates on 31st March next, and is for only one season's butter. Dairymen are out to get the advantage of the open market at the earliest possible moment. If I thought that the open market was available to them now I would not be supporting this contract. When I find that the Imperial Government are controlling the butter trade in the Old Country I know that all that we can possibly do is to effect a sale to them upon the best conditions possible.

Mr. RYAN.—Is this a Bill to support the contract?

Mr. GIBSON.—It is intended to make the contract effective, so that it can be carried out.

Mr. RYAN.—Has any one seen the contract?

Mr. GIBSON.—The contract is merely that the butter is to be sold for 240s. per cwt.

Mr. MAHONY.—By whom is it to be marketed in London, and under what conditions?

Mr. RILEY.—Dalgety and Company will make a nice thing out of it.

Mr. GIBSON.—Dalgety and Company are not in this contract. The butter was sold by Messrs. Sinclair and Osborne as representing the producers who met in conference in Melbourne. If we fixed the price of butter at as low a price as that fixed by the Imperial Government when the previous sale was effected, the result would be that the condensed-milk factories in Australia would be able to pay a higher price for milk than the butter factories could pay. In my own district one milk-condensing factory belonging to the Nestles Company are paying a higher price for milk than the butter companies can pay.

MR. JACKSON.—They are making a profit on the sugar.

MR. GIBSON.—Yes. The position is that the butter factories will be wiped out of existence if that kind of thing continues, and if the butter factories go, honorable members have to recognise what will go with them. If whole milk is sold, and no skim milk is kept, there will be no calves reared in the districts in which this takes place. My own electorate is probably one of the best butter districts in Australia.

MR. AUSTIN CHAPMAN.—Question!

MR. RILEY.—In Victoria.

MR. GIBSON.—It is a fact that it is one of the best dairying districts, not only in Victoria, but in Australia. If a low price is paid for butter, men engaged in dairying will be induced to sell their milk to the milk-condensing factories, and there will be no young stock reared in this country. That will be a calamity to the cattle-rearing industry in Australia.

MR. RICHARD FOSTER.—Men cannot go on selling milk if they do not rear calves.

MR. GIBSON.—I have indicated what is happening to-day in the dairying industry. If the price of butter goes up, it will be better for the dairying industry, and generally for those engaged in rearing cattle. Warrnambool some time ago was one of the best pig markets in Victoria; but to-day, since Nestles have become established there, it has become a district in which the milk produced is used in the whole state for the production of condensed milk, and there are practically no pigs sent now to the Warrnambool market. Colac is the centre of a butter-producing district. There is no condensed milk manufactured there, and they have in consequence a very large pig market—about 600 pigs per week. We shall have no young stock and no bacon if low prices are obtained for butter, and milk is sent in the whole state to the condensed-milk factories. I support the Bill because I feel that it is necessary to enable us to carry out the contract we have entered into. It was a good contract, entered into by men of ability anxious to conserve the best interests of the producers of Australia.

MR. GREENE.—I can show the honorable member the contract.

MR. FENTON (Maribyrnong) [8.45].—It would be well for the Minister to acquaint the House with the particulars

of the contract, because very often the lack of information retards the passage of legislation. The honorable member for West Sydney (Mr. Ryan) and quite a number of others have asked whether a contract has been effected between the representatives of the dairymen of Australia and the British Government; and when this Parliament is called upon to indorse such a contract by the passage of legislation it ought to have the fullest possible light on the subject. I agree with the honorable member for Hunter (Mr. Charlton) that many dairymen are dissatisfied. I shall quote from the London letter of the *Pastoral Review*, which cannot by any stretch of imagination be termed a Labour paper, some remarks by Sir Thomas Mackenzie, the High Commissioner for New Zealand, whom any one who has studied his movements on the other side of the world will recognise as a valiant fighter for the interests of the Dominion he represents. It is an indictment against the British Government in relation to its handling of the commodity with which we are dealing to-night, and reads as follows:—

Sir Thomas Mackenzie, High Commissioner for New Zealand, speaking last month on the subject of Government purchase of overseas butter, made a strong indictment of the Government's Empire policy, and his utterance has attracted widespread attention. He said that, with regard to butter, New Zealanders were threatened with expulsion from this market unless they accepted the price the Government chose to give them. Surely a young country like New Zealand, which had been loyal throughout the war, should be put on an equal footing, at any rate, with Ireland. The Irish people could sell their butter at 5s. per lb., and the highest price offered to New Zealand was 1s. 7½d. He ventured to think that with the assistance of the Colonial Office no such injustice would be done to us as a refusal of the free market in Great Britain.

Apparently the British Government are prepared to allow producers within their own boundaries the privilege of selling butter at 5s. per lb. There is some doubt about the price New Zealand is likely to receive for her butter.

MR. GIBSON.—New Zealand has not yet sold her butter.

MR. FENTON.—It is a questionable point; but here is a paragraph in the London letter of the *Pastoral Review* which throws a little light on the subject:—

I understand that the Ministry of Food have decided to offer for New Zealand butter prices

similar to those now being paid for the Danish article, and negotiations are at present proceeding with the shippers' representatives here.

Mr. GREENE.—One price is c.i.f. and the other is f.o.b.

Mr. FENTON.—If the Minister is referring to Danish butter, he knows very well that the c.i.f. cost of shipping butter from Denmark to Great Britain is a mere bagatelle.

Mr. GREENE.—The price would come out at practically the same as is to be paid for Australian butter.

Mr. FENTON.—I do not think so. The great Danish co-operative companies fix their own price for butter sold in Great Britain; and, as the expense of consigning the commodity from the one country to the other is, as I say, a mere bagatelle, making all allowance for c.i.f. costs, I think I am safe in saying that New Zealand will receive 247s. per cwt. for her butter as against 240s. per cwt. which is to be paid for Australian butter.

Mr. MACKAY.—Does the honorable member wish to make Australian dairymen dissatisfied with the sale made by themselves?

Mr. FENTON.—Has the honorable member, who is a shareholder, and very likely a director, of a co-operative company, ever attended a meeting of a co-operative dairy company which has been absolutely unanimous in regard to a step taken by its directors?

Mr. GREENE.—I have attended such a meeting.

Mr. FENTON.—Then the meeting must have been held in the off-season. We rarely find producers satisfied with action taken on their behalf. Were the farmers satisfied with the manner in which their wheat was handled during the war?

When the honorable member for Hunter (Mr. Charlton) was speaking, the honorable member for Echuca (Mr. Hill) interjected that it was costing some dairy farmers practically 4s. per lb. to produce butter which was sold at about 2s. 2d. per lb. wholesale. Of course, it is quite apparent to all that it costs the dairy farmer more to produce 1 lb. of butter during the winter than it does during the spring, when there is a plentiful supply of fodder and the cows have a good flow of milk, but all the year round, taking one season with another, the cost

of producing 1 lb. of butter does not amount to 4s.

The Labour party would give to all producers a fair and reasonable return for the labour they are called upon to perform. We believe in giving a fair deal all round, not only to the men in the unions, but also to the producers.

Mr. GREGORY.—Would the honorable member give the producer the world's parity?

Mr. FENTON.—If I had asked the honorable member to accept the world's parity a few years ago he would have looked at me in amazement. In past years the dairymen of Australia have received more for their butter sold in Australia than they secured in London.

Mr. ROBERT COOK.—That is not so.

Mr. FENTON.—Year in and year out, a few years ago, the average price paid for butter on the London market was below the price paid by Australian consumers. I can produce official figures to bear out what I am saying. I would go further than some honorable members of the Country party are prepared to go. I would advocate that when there is a big supply of wheat all the world over, the wheat producer here should be entitled to a fair and reasonable return for the produce he has to sell in Australia.

Mr. GREGORY.—The honorable member means nothing by that.

Mr. FENTON.—I do mean what I say. If I ask for a fair day's pay for the man in the shop, I am also prepared to ask for fair conditions for the proprietary farmer and the men working on farms. It is the policy of the Labour party to deal fairly and squarely with men who are subjected to undue competition in the markets of the world, but at the same time I demand for Australian workmen the conditions I am prepared to accord to the Australian producers.

Mr. GIBSON.—Under the last contract we received 177s. per cwt. for butter for local consumption, while we were getting—

Mr. FENTON.—The honorable member is picking out the war period. Would any reasonable-minded man take the five war years, as representing normal conditions, on which to fix his business arrangements for the next ten years? We can produce butter as good as that produced in any other part of the world. Our average quality may not be quite as

good as that of New Zealand, but for our best butter we should not be content to accept less by 7s. per cwt. than New Zealand secures. The High Commissioner for New Zealand, Sir Thomas Mackenzie, has put up such a good fight for New Zealand producers that if they do not obtain the Danish price for their butter they will at least get very close to it. Are the producers of Australia content to accept, in respect of their surplus butter, 7s. per cwt. less than is obtained by New Zealand? I am putting forward figures to which no exception can be taken. I do not hesitate to say that the Danes will receive about 247s. per cwt. net for their butter. It is stated that New Zealand producers are likely to get something like the same price. If that be so, the Australian butter producers; notwithstanding that some of their own representatives have arranged this contract, will receive under it 7s. per cwt. less than their brothers in New Zealand. I say to every producer, "Get the best price you can for your products in every other part of the world, and we will deal reasonably with you in your own country."

Mr. MACKAY (Lilley) [9.3].—I am pleased that honorable members of the Labour party are taking a keen interest in these proceedings. I would point out to them that this Bill is not designed to ratify any agreement made in regard to the sale of our surplus butter; it is merely to give assistance in the carrying out of an agreement made with the British Government by representatives of the dairymen of the Commonwealth. It is abundantly clear to me that the two gentlemen who entered into the contract went to London with full authority to act for the dairymen of the Commonwealth, and the contract entered into by them is, I think, giving general satisfaction.

Mr. PARKER MOLONEY.—Who elected those delegates?

Mr. MACKAY.—They were elected after consultation with the various co-operative butter companies throughout the States.

Mr. RYAN.—Were there no produce agents represented on the committee which elected them?

Mr. MACKAY.—I do not think so. The Deputy Leader of the Opposition (Mr. Charlton) has found fault with the

nature of this contract, and has urged that there should have been an open market. I invite honorable members to consider for a moment what would have happened if there had been an open market. Quite a number of speculators would have bought up our butter, exported it to various parts of the world, and so have obtained the profits which, under this agreement, will go to the dairymen themselves. The contract has been well advised, and the Government, in bringing forward this small measure to assist in giving effect to it, are certainly doing a great deal to insure that the whole of the butter purchased by Great Britain shall be delivered.

No one can say that, having regard to the conditions under which our dairymen work, the price of butter is too high. We have periodic droughts throughout the States. In Queensland, for instance, every third year is a dry one. I well remember the last drought, when the farmers had to spend the little they had in purchasing fodder to keep their cattle alive. We have been told time after time, of the long hours worked by dairymen—we have been told that they and their families are practically the slaves of the industry—and the honorable member for Echuca (Mr. Hill) was not far wide of the mark when he said that if the dairymen were to receive fair payment for the hours worked by them, then 4s. per lb. would not be too much to pay for butter. It is the one industry in Australia in which fair working conditions are not insisted upon. It is unreasonable to expect dairymen to work long hours, and to contend with droughts and the various pests which affect their herds, without receiving anything like a fair return for the work they do. I do not anticipate that this measure will occupy the attention of the House for any time. It is to my mind very important that it should be passed without delay in order that effect may be given to the agreement that has been made with the British Government by the representatives of the industry.

Mr. RYAN.—Why not come up to the collar, and admit that this is really a Bill to prohibit the export of butter?

Mr. MACKAY.—It is a Bill to assist the carrying out of the contract entered into by the representatives of the dairying industry and nothing further.

Mr. ROBERT COOK (Indi) [9.7].— I have every confidence in the Minister for Trade and Customs (Mr. Greene), who is in charge of this Bill, so far as his treatment of the dairymen of Australia is concerned. He has had personal experience in the dairying industry, and I have carefully watched his career during the last few years. I have been on many conferences with him, and he has always endeavoured, in my opinion, to give a square deal, not only to the dairymen, but to the community as a whole. That, I believe, is his desire in this instance.

The remarks made by the Deputy Leader of the Opposition (Mr. Charlton) can not be taken very seriously, since he told us that he was really making a little electioneering address, and that he wanted a few "pulls" of his speech to circulate amongst the dairymen. I would advise him to keep the report of his speech out of the hands of the coal miners. It cannot be denied that dairying is hard work, involving long hours, and that in the past but little pay has attached to it. There is plenty of overtime worked in the industry, but there is no pay for that overtime. I am pleased that a contract has been made for the sale of our surplus butter at a price which I consider to be only reasonable. We have recently settled quite a number of our returned soldiers on small holdings, and their principal output for some considerable time will be dairy produce. They are paying up to £25 per head for their dairy cows, and, having regard to their interest charges and other costs, their efforts will be attended with absolute failure if they do not receive something like a reasonable price for their dairy produce. As to the cost of production, if the dairymen and their wives and children employed in the industry received Wages Board rates of pay I believe that, as the honorable member for Echuca (Mr. Hill) has said, it would be impossible to sell butter at less than 4s. per lb. We feel that the dairymen have slaved long enough to provide cheap butter and other produce for the masses. The producers have at last been aroused. They have awakened to the fact that all other industries have organized, and they give them credit for their organization. But while others have been uniting to secure better results for their labour, the pro-

ducers have been supporting first one side and then the other—they have been driven from pillar to post—and it was due in the end to compulsion, rather than choice, that they organized. The unfortunate farmer will now be able to obtain reasonable treatment. He asks for nothing more. The price to be paid for our surplus butter under the contract is considered to be very high by some people, who fear that they will have to pay a corresponding price for butter for local consumption. My contention is that the dairying community is entitled to the world's parity for its produce. We do not ask for any favour; we ask only for that which is absolutely fair. Those engaged in manufacturing and other industries feel that they are perfectly justified in selling their labour to the highest bidder. If trade unionists could do better in some other country they would not hesitate to leave Australia. Why, then, should there be any objection to dairymen obtaining the world's parity for their produce?

Earlier in the day the House engaged in a debate on the coal shortage, and it was urged that an embargo should be placed on the export of coal. If that suggestion be adopted we shall next have a move to place an embargo on the export of wool, wheat, and butter. It has been said that there is full and plenty for all who will work and produce, and those who think that prices are too high should be reminded that the country is wide, and that there is plenty of room for them to apply their energies to production, and thus to bring down prices. When the honorable member for Yarra (Mr. Tudor) was Minister for Trade and Customs he placed an embargo on the export of butter, and in that way did more harm to the dairying industry than any good he is ever likely to do. The only result of his action was that many of the dairy farmers, losing faith in the industry, gave it up, and the price of butter increased. The more the producer is penalized in that way the more the community will have to pay.

This contract is fairly open. Under it we shall have the right to send 50 tons of butter per week to South Africa. That is a reasonable allowance. The delegates who were selected by the dairymen themselves to proceed to England, pleaded for an open market and the abolition of price-fixing; but we could not get the open market, because the

Imperial Government have control of the shipping, and could take the butter at their own price. I venture to predict, however, that the Imperial Government have given our delegates the price they would previously have taken, and probably a little more, and that within the next few weeks we may even get an increased price. Primary producers generally do not require any "spoon-feeding," but they do ask for the world's parity and an open market. As to the butter previously sold at 175s. the producers did not definitely fix that figure; they asked something slightly over, but the Prime Minister (Mr. Hughes) sold it at that price to the Imperial Government. That contract was certainly considerably under the world's parity, but the Imperial Government was good enough to give us half the profits on the butter exported, amounting to something like £600,000. In regard to the present contract the dairymen held a Conference composed of representatives from all parts of Australia, and representing both proprietary and co-operative industries. From every place where dairying was carried on, and there was any organization, a representative was asked to attend; and, representing the industry to the extent we do, and having had the privilege and honour of appointing our own delegates to send Home, we feel that the bargain made is one that all interested should be satisfied with. This Bill is simply to give statutory power to the Butter Pool to deliver the goods, and I trust it will receive the support of the House, and be disposed of within a very short time.

Mr. RYAN (West Sydney) [9.20].—We have the interesting spectacle this evening of our honorable friends in the Government corner, who claim to represent country interests, joining with other honorable members opposite, who represent, amongst other interests, those of the middlemen, in support of a measure, which I may say at the outset, is not properly described in the title. It is described as the "Butter Agreement Act of 1920," a euphemistic name, but really it is a measure to empower the Minister for Trade and Customs to prohibit the export of butter except under certain conditions. The Bill is to confer on that Minister a power he does not already possess under the Customs Act, and is a special measure, the effect of which can-

not be to increase the price received by the producers for their product from August until March next. In fact, it will be generally admitted that the only purpose that the measure can have is to reduce the price—to keep the price as low as it is fixed in this alleged agreement. I make no apology for addressing the House in the interests of the primary producers, because the platform of the Labour party is framed in the interests of the primary producers and of the consumers of Australia. As I have pointed out before here, the Labour party is the only party that can point to its platform and its programme as standing for the interests of the toilers, whether on the land or in the secondary industries. Every opportunity should be taken on the floor of the House to point out that fact, and to draw attention to those combinations between the middlemen and the alleged producers' representatives, of whom we complain. On this side of the House we have honorable members representing primary producing constituencies, and sent here by primary producers. Amongst these are the honorable member for Hume (Mr. Parker Moloney), the honorable member for Werriwa (Mr. Lazzarini), the honorable member for Calare (Mr. Lavelle), the honorable member for Gwydir (Mr. Cunningham), the honorable member for Angus (Mr. Gabb), the honorable member for Ballarat (Mr. McGrath), the honorable member for Barrier (Mr. Considine), and others. These honorable members would not be here unless they had been sent by the votes of the primary producers of the country; and they have the advantage that they can command the support of the representatives of such constituencies as Melbourne Ports, Port Adelaide, and West Sydney, with the waterside workers there and all around the coast, who are pledged and bound by the same platform and programme. This party can rely on the support of the miners of Kalgoorlie, Broken Hill, and Charters Towers, and the shearers and shed hands of the Darling and other places; and we can call this army in to the support of the primary producers.

Mr. ROBERT COOK.—A good electioneering speech!

Mr. RYAN.—I am not making an electioneering speech, but a statement of fact to this House.

Mr. ATKINSON.—Do you not generally talk facts when you are electioneering?

Mr. RYAN.—That is more than honorable members opposite do when electioneering. This measure refers to an agreement which has been entered into for the sale to the Imperial Government of the exportable surplus of butter produced in Australia on and after the 1st July, 1920, and on and before the 31st March, 1921, "hereinafter referred to as the agreement." We find, however, that the only reference to an agreement is in the title of the Bill, the rest of the measure dealing with the power to prohibit export. First of all, I emphasize the point that this Bill is not to ratify any agreement, and does not purport to ratify any agreement; indeed, we do not know what the agreement is.

Mr. PARKER MOLONEY.—We ought to know.

Mr. GREENE.—I have told honorable members the whole of the terms of the agreement.

Mr. RYAN.—In a somewhat fragmentary way. Some light, however, has been shed on the subject by the honorable member for Corangamite (Mr. Gibson), who was able to mention 240s. as the price, though he said negotiations are now on foot to have it increased. Other honorable members, as well as myself, have had experience of "agreements" made in regard to the sale of wheat and wool, but there no Minister can now tell us what the agreement was in regard to wool. The Government sent their most competent man to the other side of the world to unravel what the terms of the supposed agreement were, and he became so disgusted while there that he resigned his commission.

Mr. GREENE.—Does the honorable member desire me to read the whole verbiage of the agreement?

Mr. RYAN.—I desire to have the agreement laid on the table of the House, so that we may know exactly what it is.

Mr. GREENE.—I promise to have it laid on the table.

Mr. RYAN.—It is very important that that should be done, so that we and the primary producers may know what it is.

Mr. GREENE.—There is nothing more in the agreement than what I have stated.

Mr. RYAN.—First of all, I say that this is not a Bill to ratify an agreement,

and that we do not know what the agreement is that the Bill is intended to support. I deny that the agreement, whatever it is, was made by the producers of Australia. By what authority does the Minister say that the agreement was made by the producers? If the agreement was made by those who own the butter in Australia, there is no need for any Bill, because they are bound to deliver under the contracts. The Minister admitted, by interjection, that there are four recognised middlemen on the committee. Did I understand the Minister aright?

Mr. GREENE.—I think there are four.

Mr. PARKER MOLONEY.—It is a combination of middlemen's representatives, and primary producers.

Mr. RYAN.—And that is not a natural alliance. We all know that on the other side of the world the middlemen will have the predominating influence, and they are helping to make the agreement.

Mr. FENTON.—The butter is to be sold through the ordinary channels.

Mr. RYAN.—That is so—through the middlemen's representatives on the other side of the world. Is that not so?

Mr. GREENE.—No; the honorable member is entirely wrong.

Mr. RYAN.—I deny that this agreement, whatever it is, was made by the primary producers themselves or their representatives. I am quite sure there are amongst them men who would not concur in it if they had all the information before them they should have. What will be the effect of the agreement? What is it intended to do? Where is the necessity for it? Who suggested such a Bill? Who insisted on such a Bill? Can the Minister give us any information on those points?

Mr. GREENE.—I gave a great deal of information on them when I introduced the Bill.

Mr. RYAN.—Will the Minister say who suggested such a measure?

Mr. GREENE.—The British Government asked us to support the contract by legislation.

Mr. RYAN.—Did they ask that this should be the legislation? Because the only effect of the Bill will be to compel the primary producers of Australia to send their exportable surplus through a particular channel—through the middlemen

—which it has always gone through, at a certain fixed price.

Mr. GREENE.—The honorable member is entirely wrong. The middlemen as such—

Mr. RYAN.—I do not say “as such.” I say, as combined together.

Mr. GREENE.—Nor as combined together.

Mr. RYAN.—They have the most influence, and control the situation.

Mr. GREENE.—No, they do not.

Mr. RYAN.—The Bill proposes to give the Minister power to prohibit the export of butter, except by the Dairy Produce Pool Committee, or with its consent; and the Governor-General in Council is to have power to prescribe how that committee shall be constituted. Why is it not provided that the primary producers shall elect the committee, and shall say what its constitution shall be?

Mr. GREENE.—Had the honorable member followed me, he would know that the conference that authorized this sale authorized the appointment of the existing Dairy Produce Pool Committee to carry it out, and recommended that the life of the committee should be extended to enable it to do so.

Mr. RYAN.—The Minister says that there are four representatives of the middlemen on the committee.

Mr. GREENE.—And there are thirteen proclaimed representatives of the producers.

Mr. RYAN.—The Bill says that the Governor-General in Council shall have power to make regulations not inconsistent with the Act for carrying out or giving effect to it, and, in particular, for prescribing the constitution of the committee, and the method of election or appointment and the tenure of its members. Why should that be provided if the thing is already done?

Mr. GREENE.—It is not done, and cannot be done until the Bill has been passed.

Mr. RYAN.—The only effect of the Bill will be to compel the primary producers of this country, willy nilly, to send their butter through a certain channel at a certain price, namely, 2s. 1.6d. per lb. free on board.

Mr. ROBERT COOK.—Which they have agreed to do.

Mr. RYAN.—Then there is no need for the Bill. If they have agreed to do it, they are legally bound to carry out the agreement. It is because they have not agreed to it that the Bill is needed to drive them into doing it.

Mr. HILL.—Do you suggest that a few “scabs” outside the dairy organization will not put their butter in?

Mr. RYAN.—I am not suggesting that.

Sir JOSEPH COOK.—The honorable member is arguing for the non-unionists now.

Mr. RYAN.—It is not the British Government that does the profiteering. This butter will be sent to England for the price I have mentioned, plus so much for transport, insurance, exchange, and other charges. I do not know what those charges will come to.

Mr. GREENE.—I have mentioned that the total cost of transporting the butter to England works out at 9d. per lb. to the consumer.

Mr. RYAN.—But the consumer in England will not be able to buy the butter at 2s. 1.6d. plus 9d. per lb.

Mr. GREENE.—Each party handling the butter in England will get his percentage, in precisely the same way as in Australia, and the grocers there will be allowed a profit of, I think, 3½d. per lb., the consumer paying a fixed price.

Mr. RYAN.—Australian butter is sold in England at the price ruling there for butter, which may be 5s., 6s., or 7s. per lb.

Mr. GREENE.—They will get this butter at a fixed price.

Mr. RYAN.—The price for Australian butter is fixed in accordance with the price obtained for Danish, Irish, and other butter.

Mr. CAMERON.—The consumer pays more for Irish butter.

Mr. RYAN.—The butter that goes from Australia is sold on the English market for the prices ruling in Great Britain.

Mr. GREENE.—I wish that it did.

Mr. RYAN.—I found that meat was sent from Australia at 4½d. per lb. f.o.b., with so much added to cover the costs of transport, and was sold in England at the price ruling for Argentine and other meat. The honorable member for Maribyrnong (Mr. Fenton) referred to the

complaint of Sir Thomas Mackenzie, who was continually complaining of the position of colonial producers, at whose expense profiteers on the other side of the world were making huge profits. These profiteers are often the persons who have exported produce from Australia. They have branches in London, and send produce from here to England at a fixed price, plus the cost of transport. This produce is released to them on the other side of the world at this price, and they then put it on the market, and sell it at the ruling rate there.

Mr. GREENE.—That cannot be done under this agreement.

Mr. RYAN.—What is there to prevent it?

Mr. GREENE.—If the honorable member understood how the arrangement worked, he would not ask the question.

Mr. RYAN.—Is it because I understand how it works that I draw attention to these things. What need is there for the measure? What would happen to the detriment of primary producers of this country if it were not passed?

Mr. GREENE.—To begin with, in all probability they would have to wait four months for their money.

Mr. RYAN.—There was bound to be some excuse offered. I oppose the measure because it is intended to compel the producers of Australia to send their butter through a particular channel, at a certain price, whether they like it or not. In my opinion, they should be at liberty to export their butter as they like, and to what destination they please.

Mr. ATKINSON (Wilmot) [9.40].—I am not troubled with the difficulties concerning this Bill which seem to beset the honorable member for West Sydney (Mr. Ryan). The Bill appears to me a simple one, intended to give effect to an agreement which has been made on behalf of the dairymen of Australia. I understand that the great majority of these are satisfied with this agreement, and have sought the assistance of the Government to give effect to it. The step which is being taken is a commendable one. Those who are a party to the agreement may need advances against their butter. They may want money.

Mr. GREENE.—They will.

Mr. ATKINSON.—Of course, they will, and when this Bill has been passed

the Government will be in a position to make advances to the primary producers, to be repaid out of the amount received for the butter. That will be in keeping with the policy with which the Government went to the country, a proper policy to adopt in regard to the primary producers.

Mr. CUNNINGHAM.—In what part of the Bill is it provided that the Government shall pay money to the primary producers?

Mr. ATKINSON.—The Bill is to assist the carrying out of an agreement already come to with the British Government. Regulations may be made not inconsistent with its provisions, and under the power to make such regulations the Government can provide for making advances. That they intend to do so is to be divined from the remarks made by the Minister (Mr. Greene) in reply to the honorable member for West Sydney (Mr. Ryan). If the Bill is not passed, the dairymen of Australia will not be in the position which they should be in; but if it is passed the Government will be able to come to the assistance of those who need it, and so do necessary and good work. As to what is a reasonable price to charge for butter to consumers in Australia when butter is being exported largely, and there cannot be a great deal for local consumption, let me say that, in my opinion, the consumer should pay the parity of the world's price for butter. Why should the primary producer always be called on to make a sacrifice? He pays the full price for the implements he uses, the clothing he wears, the necessities he consumes, and gets no concessions from any one. He should be the last to be called upon to make a sacrifice, seeing that his industry is the most important in the community. It has been admitted by honorable members opposite that a reasonable price should be paid, and, under the circumstances, I have indicated it should be the world's parity. The measure does not touch the agreement.

Mr. MAHONY.—Why talk of the agreement?

Mr. ATKINSON.—Because the Bill will enable the agreement to be more effectively carried out.

Mr. MAHONY.—How do we know that there is an agreement?

Mr. ATKINSON.—Because the Bill clearly states that an agreement has been

entered into for the sale to the Imperial Government of the exportable surplus of butter produced in Australia on and after 1st August, 1920.

Mr. RYAN.—If an agreement has been entered into, there is no need for an Act of Parliament to give effect to it.

Mr. ATKINSON.—I am not prepared to admit that there is any absolute necessity for it, because the agreement will, of course, still stand; but the measure is necessary to enable the agreement to be more efficiently and effectively carried out in the interests of the primary producers. I cannot say whether the agreement is a fair one or not, and at present that is not my concern, but an agreement has been made by the representatives of the dairying interests of Australia, and the opinion has been expressed that most of the dairy farmers are satisfied with its provisions.

Mr. CUNNINGHAM.—Did the honorable member advocate the prohibition of the export of butter at Beaconsfield?

Mr. ATKINSON.—I do not remember having done so.

Mr. CUNNINGHAM.—The honorable member said that he would not favour the removal of embargoes on exports.

Mr. ATKINSON.—I do not remember the incident to which the honorable member is referring, but in a general sense I am opposed to embargoes, because I believe in free markets.

Mr. MAHONY.—The honorable member made such a statement at Beaconsfield, because I have a newspaper cutting of his speech.

Mr. ATKINSON.—If I made such a statement it is not altogether inconsistent with my present attitude, because in this instance the primary producers are satisfied, and they are the ones who are principally concerned. I support the Bill.

Mr. PARKER MOLONEY (Hume) [9.48].—The statement that has just been made by the honorable member for Wilmot (Mr. Atkinson) is of an extraordinary character, because he has admitted that he does not know if the agreement is a fair one or not.

Mr. ATKINSON.—I did not say that. Those who have entered into the agreement evidently consider it a fair one.

Mr. PARKER MOLONEY.—My hearing is very good, and the honorable member said that he could not say if the

agreement was a fair one, and that he was not concerned with it. He is evidently in favour of passing the Bill, because he is a good party man, and is going to stand behind the Government, right or wrong.

Mr. ATKINSON.—I did not say that.

Mr. PARKER MOLONEY.—But it is a logical deduction from what the honorable member did say. He does not know what the agreement contains, and I am sure other honorable members do not. As it is very desirable that we should have an opportunity of perusing the document before passing the Bill, I ask the Minister for Trade and Customs (Mr. Greene) if he is prepared to grant an adjournment at this juncture?

Mr. GREENE.—I cannot agree to such a course, as the dairymen need their money, and it is necessary to pass the Bill.

Mr. PARKER MOLONEY.—One is greatly handicapped in attempting to discuss a measure of this nature in the absence of the agreement mentioned in the Bill.

Mr. GREENE.—I have already given the terms of the agreement.

Mr. PARKER MOLONEY.—One cannot carry all the terms and conditions in one's mind, and, as the Minister for Trade and Customs has promised to table the document, I am sorry he will not agree to an adjournment. It has been stated that the agreement was entered into by the dairy farmers, but I absolutely challenge that statement, because I do not think its provisions were sanctioned by those who are actually engaged in the dairying industry in the Commonwealth. I agree with the remarks made by the honorable member for Indi (Mr. Robert Cook), and the honorable member for Lilley (Mr. Mackay) that the dairy farmers in Australia experience more hardships than, perhaps, any other section of the community.

Mr. HILL.—And no one is more poorly paid.

Mr. PARKER MOLONEY.—Exactly; because those engaged in dairying work seven days a week. If there are any workers who deserve the sympathy of the Legislature, they are those engaged in dairy farming.

Mr. ROBERT COOK.—Sympathy is of little use.

Mr. PARKER MOLONEY.—Perhaps not; but the honorable member is supporting an agreement which is limiting the price that the primary producer is to receive to 240s. per cwt. f.o.b. until March next year, irrespective of the world's parity.

Mr. AUSTIN CHAPMAN.—It is an absolute certainty that the price in the agreement will be under the world's parity.

Mr. PARKER MOLONEY.—I agree with the statement of the honorable member for Eden-Monaro (Mr. Chapman).

Mr. HILL.—But the producer is anxious to allow the consumers to obtain butter at a fair price.

Mr. PARKER MOLONEY.—Honorable members have spoken as if the producers are satisfied with the agreement, but I am not sure of that. This agreement has been entered into amongst others by four middlemen.

Mr. ROBERT COOK.—Who were the middlemen?

Mr. PARKER MOLONEY.—I have the names of some of them, and during the short time at my disposal I have ascertained that they include Mr. P. J. Holdensen and Mr. J. W. Sandford. Is any honorable member prepared to say that Mr. Holdensen is engaged in the work of dairying, or that Mr. J. W. Sandford, who is a big merchant in Adelaide, is similarly employed?

Mr. ROBERT COOK.—Does Mr. Sandford own factories?

Mr. PARKER MOLONEY.—The honorable member cannot get away from the fact that he is a middleman.

Mr. ROBERT COOK.—They are factory owners.

Mr. PARKER MOLONEY.—Mr. Sandford is one of the biggest dairy produce merchants in Adelaide, and it cannot be said that the interests of Mr. Holdensen and Mr. Sandford are in common with those of the men who milk cows for seven days a week. I have heard it stated by the representatives of the Country party in this Chamber that they were here to fight the middleman, and the honorable member for Corangamite (Mr. Gibson) had a good deal to say concerning the middlemen during the election campaign. Notwithstanding the position that the members of the Country party were supposed

to adopt, they are now assisting the Government in giving effect to an agreement in the interests of four middlemen. I am inclined to think that there is a good deal in the cartoon published in the last issue of the *Sydney Bulletin*, and I am now beginning to realize how appropriate it is. The cartoon to which I refer depicts the Prime Minister (Mr. Hughes) leading a little lamb which represents the Country party. I cannot get the cartoon into *Hansard*, but I shall quote the verse accompanying it, which is as follows:—

"Billy"! had a little lamb,
Its fleece was white as snow;
Whichever way that "Billy" went
The lamb was sure to go.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter).—Order! The matter which the honorable member is now discussing has nothing whatever to do with the Bill.

Mr. PARKER MOLONEY.—The members of the Country party, who should be working in the interests of the producers, are now allowing themselves to be led by the Government, which brings in an agreement supposed to be in the interests of the primary producers. And yet those who drew up the agreement include four middlemen whom the honorable members in the corner are supposed to have been sent here to fight. The Labour party is opposed to the middleman as the enemy of the primary producer, and if there were nothing else in the agreement to which I objected, the fact that the Committee which drew it up included four of the natural enemies of the producer would be sufficient to turn me against it. Ever since I came into the House I have objected to the manner in which the producers were cheated in connexion with the sales of wool and wheat. The wool sale was really not a written contract, but was an arrangement agreed to over the cables, and by means of it the wool-growers suffered an irreparable loss. There is no representative of the farming community who will approve of the manner in which the wool contract was made and carried out. The same objection is to be found to the sale of wheat. Right throughout the war period there was blundering unprecedented in the history of this country, and as the result the primary producers suffered more than any other section of the community. Now, when the war is over,

we are asked to sanction a similar transaction. Again the producers will be the victims of a bad deal, and the trouble is that those who claim to speak for the primary producers are "in the swim."

Mr. BELL.—They are doing their own business this time.

Mr. PARKER MOLONEY.—I do not admit that the bulk of the men engaged in the dairying industry had anything to do with the making of this agreement. Certain representatives of co-operative societies and middlemen drew up the agreement, but it cannot be said that any vote of those engaged in the dairying industry was taken to indicate their approval of the scheme. We might almost say that the agreement was made behind the backs of the producers.

Mr. RODGERS.—Will the honorable member say that there is a shrewder man in the dairying industry than Mr. Osborne, who was a member of the Committee?

Mr. PARKER MOLONEY.—I do know that the dairymen were represented only to a small extent on the Committee; but there were other men on it who cannot be said to be representatives of the people who earn their living as dairy farmers. Although the butter will be sold in Great Britain under this agreement, it will pass through the ordinary channels, and will be handled by the merchants of Tooley-street.

Mr. RODGERS.—The ordinary channels of distribution have been used in connexion with all the Pools.

Mr. PARKER MOLONEY.—Exactly. And the butter which will be sold to Great Britain at 240s. per cwt., plus charges, may be sold in Germany, or some other country at double that figure. That will mean a loss to the primary producer. The same thing happened in connexion with the sales of wheat and wool. When the Australian farmer was receiving 3s. 9d. to 4s. 2d. per bushel the Canadian and Argentine farmers were receiving 9s. to 13s. per bushel, and whilst the Australian wool-grower was receiving 15½d. per lb. for his wool, the growers in other countries were receiving as much as 5s. per lb. more. We are told that the Australian wool producer should be satisfied, because he is to receive 50 per cent. of any profit made on re-sales at prices over and above the fixed rate. There is no small

wool-grower in Australia who is not in direct disagreement with that contract. The primary producers have a right to expect that, the war being over, we shall return to normal conditions. They were the greatest sufferers during the war period, but we are asked to perpetuate their hardships.

Sir JOSEPH COOK.—What hardships?

Dr. EARLE PAGE.—Getting a bigger price for their butter than they received before.

Mr. PARKER MOLONEY.—There are many honorable members on the Government side who will agree with me that this agreement may prove a very great hardship to the dairy farmers. The price is being fixed until March of next year, and no one can deny that it is possible, and, indeed, highly probable, that the fixed price will be much below the world's parity before the agreement terminates.

Sir JOSEPH COOK.—Does not the honorable member think that the people representing the primary producers know their own business as well as he does? That is the whole point of the Bill.

Mr. PARKER MOLONEY.—It is not the point of the Bill. I am not satisfied that the majority of the men engaged in the dairying industry know very much about the agreement which the Minister will not let us see.

Sir JOSEPH COOK.—The honorable member knows that behind all this talk is the desire to stop export in order to keep down the local price.

Mr. PARKER MOLONEY.—The Treasurer cannot put into my mouth any words he chooses. I received the votes of a large number of primary producers, and I shall do my best to see that they get the best treatment possible. I am not tied, like members of the so-called Country party, to the actions of the Government. When the Government do something which I think inimical to the interests of the primary producers, I hold myself free to criticise their actions. I ask leave to continue my remarks at the next sitting.

Leave granted; debate adjourned.

PUBLIC SERVICE BILL.

Bill received from the Senate, and (on motion by Mr. Groom) read a first time.

House adjourned at 10.13 p.m.

Senate.

Thursday, 19 August, 1920.

The PRESIDENT (Senator the Hon. T. Givens) took the chair at 3 p.m., and read prayers.

SHIPPING.

Senator THOMAS.—I ask the Leader of the Government in the Senate whether he is yet in a position to make the statement which he promised on the Supply Bill dealing with the shipping activities of the Government.

Senator E. D. MILLEN.—I ask the honorable senator to extend his well-known patience to me a little longer. I anticipate that I will shortly be in a position to furnish him, and the Senate generally, the information he seeks.*

DR. MANNIX.

TREATMENT BY BRITISH GOVERNMENT.

Senator GARDINER asked the Minister for Defence, *upon notice*—

1. Has the British Government given any explanation for its interference with, and treatment of, Dr. Mannix?
2. Is Dr. Mannix a Chaplain-General in the Australian Military Forces?
3. Can the Minister give any reason for the restriction placed upon the Chaplain-General?

Senator PEARCE.—The answers are—

1. The Commonwealth Government have received no information.
2. Yes; by virtue of his being the nominee of the responsible authorities of his church.
3. Dr. Mannix was not visiting the United Kingdom in his capacity as Chaplain-General, therefore no restriction has been placed upon him as such.

NORTHERN TERRITORY.

SALARY OF ADMINISTRATOR.

Senator NEWLAND asked the Minister representing the Minister for Home and Territories, *upon notice*—

1. Is it correct, as reported in the press of 18th inst., that applications are to be called for the position of Administrator in the Northern Territory, and that the salary to be offered is £1,500?
2. If so, do the Government consider such salary sufficient to attract men of first-class ability, likely to be able to handle the many complex problems facing the occupant of that office, and to meet the high cost of living at Port Darwin?

Senator RUSSELL.—The answers are—

1. Yes.
2. Yes. It may be pointed out that, in addition to the salary, a furnished residence is provided for the Administrator.

VISIT OF PRIME MINISTER TO EUROPE.

Senator GARDINER asked the Leader of the Government in the Senate, *upon notice*—

1. Is it the intention of the Prime Minister to leave Australia for Europe?
2. If so, will the Minister state what is the nature of the business that calls Mr. Hughes from Australia at this important juncture?
3. Will Mr. Hughes depart from Australia about the same time that Mr. Watt leaves England for Australia?

Senator E. D. MILLEN.—The answers are—

- 1 and 2. An announcement will, if circumstance require it, be made in due course.
3. The honorable senator is referred to Mr. Watt, of whose movements the Government have no knowledge.

WAR SERVICE HOMES BILL.

Bill presented, and (on motion by Senator E. D. MILLEN), read a first time.

Senator E. D. MILLEN (New South Wales—Minister for Repatriation) [3.5].—I move—

That standing order 192 be suspended so as to enable the second reading of this Bill to be taken forthwith.

I submit this motion in order that during the adjournment over the week-end honorable senators may have a full opportunity to study the provisions of the Bill before its consideration is resumed next Wednesday.

Question resolved in the affirmative.

SECOND READING.

Senator E. D. MILLEN (New South Wales—Minister for Repatriation) [3.6].—I move—

That this Bill be now read a second time.

As its title indicates, this Bill proposes an amendment of the War Service Homes Act, with the main provisions of which honorable senators are familiar. As the main principle of the Act is in no way disturbed by this measure, it is unnecessary for me to do more than indicate the more important amendments sought to be effected. Briefly, there are

four amendments of the existing law desired. It is proposed to extend the benefits of the original measure to a class of beneficiaries, not previously entitled to become applicants under the law. It is proposed, further, to increase the limit of the amount which may be advanced, and which was originally fixed at £700, to £800. This Bill will provide checks upon trafficking. The original measure sought to impose checks of that kind, but experience has shown that it is necessary to tighten up our legislation in that direction the more important amendments which experience has shown to be necessary, and some of which are perhaps due to a little faulty draftsmanship of the original measure. I shall deal with these later on more in detail.

With respect to the first amendment, I will indicate the new classes of beneficiaries proposed to be included. First of all, amongst those who will be entitled under this measure to become applicants will be the men who were in camp and discharged prior to leaving Australia. Many of these were discharged on the signing of the Armistice. In that regard the amendment will bring the War Service Homes Act into line with the main Repatriation Act. Another class of men who will be eligible under this Bill are members of the Young Men's Christian Association who saw service abroad, and also seamen and wireless operators who served in the war zone. In addition, it is proposed to make competent to apply under the Act the wives of men mentally afflicted. Under the original measure only the eligible person himself could apply, or, in the event of his death, his widow or other dependant. In the case of the class of beneficiaries to whom I last referred, it is obvious that whilst the eligible person is still alive he is not capable of acting owing to his mental affliction. It is sought, therefore, to give the wife of such a man the right which in ordinary circumstances would attach to the man himself.

Senator ROWELL.—Why not provide that any person who has served the country in war should be eligible—the men who served in the South African war, for instance?

Senator E. D. MILLEN.—The Bill does not propose to do that. The question whether the repatriation proposals should be made available to those who served in

previous wars has been considered frequently and thoroughly, and so far as the Government are concerned they cannot see their way to include in the present proposal men, who however valuable their services may have been, did not operate in the last war.

Senator FOLL.—Why are not other organizations similar to the Young Men's Christian Association included?

Senator E. D. MILLEN.—There are other organizations included, such for instance, as war workers. It will always be possible to find some one coming along desiring to seek homes under easy conditions, and it must be understood that the measure is not applicable to the whole community.

Senator FOLL.—If certain members of the Young Men's Christian Association are to benefit, why not the representatives of the Salvation Army?

Senator E. D. MILLEN.—In view of the number of applicants, I do not think it can be denied that the efforts of the Government on behalf of returned men have been very generous. I think it can be said that the Government have gone as far as they possibly can, having due regard to the financial obligations of the country, and it must be admitted that a fair thing has been done to our returned men.

The increase of advances from £700 to £800 has been found necessary in view of the changed conditions. Since the original Act was passed, there has been an increase in the cost of labour of approximately 25 per cent., material 25 per cent., freight 10 per cent., and cartage 20 per cent. It is quite obvious, therefore, that although £700 may have been a reasonable and fair amount at the time the Act was passed, it is impossible for the Commissioner to do to-day with £700 what could be done two years ago. The increased advance is not offered unconditionally, as the Commissioner will have the right to grant the additional amount in such cases and under such circumstances as he thinks necessary and fair. It has, therefore, been provided that in the event of an applicant requiring an additional £100, he shall be required to find a deposit of 15 per cent. Our experience shows that this is not at all a disability on the soldier, and I shall quote figures directly to show that a gratifyingly large

percentage of men are making deposits. There is another reason why the payment of a deposit is thought to be wise, and that is, because without it quite a large number of men would apply for the largest house it was possible for them to get. But the Commissioner is bound to consider to what extent the applicant is able to meet the increased payment if the obligation is increased from £700 to £800. It has, therefore, been decided to ask the applicant to find some portion of the money himself. The applicant has not to pay a deposit on the full amount, but only on the last £100.

I now come to the proposed amendment which deals with checks on transfers. Under the Act the Commissioner has power—and he will still have when this measure becomes law—to refuse to sanction a transfer; but it is found that something more is necessary.

I am sorry in one sense, but gratified in another, to know that there is a possibility and disposition to traffic in war service homes. I regret it, because these homes were built for soldiers, and because they were not supposed to be a medium by which any member of the community could secure a home at a reasonable price; and I am gratified to know, on the other hand, that these houses are worth more than the amount for which they were constructed. Bearing in mind the purpose for which these homes were constructed, it is very desirable to limit trafficking in every way. Already we know of cases where efforts have been successfully made to defeat the provisions of the Act, which provides that the Commissioner's approval has to be obtained before a transfer can be effected. But purchasers have sold their homes for cash, and have then gone to the Department with the full amount, and by discharging their obligations have defeated the purpose of the Act. Under these circumstances, houses that were constructed for returned soldiers are now in the possession of non-eligible men, and this country has not been asked to find money to build homes for ordinary citizens. That, undoubtedly, is an undertaking worthy of consideration; but it is not the intention of the Government or the Department to do work of this character at the present juncture. There are other forms in which trafficking

has taken place, and in order to check it it is now proposed that the present restriction shall remain, and so that no injustice may be done to the soldier who wishes to sell for legitimate reasons, power is sought under the Bill for the Commissioner to sanction the sale of a home when the owner may desire to leave a district for private reasons. Under such circumstances, the Commissioner will have the power to repurchase the house and pay back all the money put into it, including the cost of improvements. No injustice will be done to the soldier, because he will receive back all he paid, and the house will then become the property of the Commissioner, who can sell it to another soldier applicant.

Senator NEWLAND.—And that man can apply for a home in another district, if necessary?

Senator E. D. MILLEN.—Yes; if the conditions are satisfactory he will be eligible to apply for a home in a more suitable locality.

Senator GARDINER.—Then we are not giving the soldiers houses.

Senator E. D. MILLEN.—We never proposed to do so. It is only those who are not in positions of responsibility who can use language of that character.

Senator GARDINER.—If the Commissioner is to have power to repurchase, why should he not give the present value?

Senator E. D. MILLEN.—The Commissioner has been building for £700, but he may have to pay £800.

Senator GARDINER.—If the price has increased owing to the higher cost of material, why should not the Commissioner pay the extra amount?

Senator E. D. MILLEN.—If Senator Gardiner cares to talk in that way, I must beg to differ, and say that I can see no reason for following that line of argument. It is preposterous to say that the Commissioner should be under an obligation to pay more than the applicant has been called upon to pay. If Senator Gardiner desires to be logical, he should say that if it costs £700 to build a house, and it is worth £800, the soldier should be charged the higher amount. It is the desire of the Government to give the soldier a home at the lowest possible price, and if he no longer requires it he can be paid

back every penny that he has paid on it, including the cost of improvements.

Senator GARDINER.—If the land has increased in value, say, by £1 per foot, why should the owner not receive the benefit?

Senator E. D. MILLEN.—The Commissioner does not desire to make one penny profit out of the scheme. We have to see that the soldier occupant is fairly treated, and receives the benefit to which he is justly entitled. I am rather surprised that Senator Gardiner, who is, as I am, a representative of the State of New South Wales, and who knows exactly what has happened there in connexion with land deals, should make the suggestion he has. In New South Wales it was like a man going in for a "Tattersall's" sweep, and not having to pay for the ticket. It has been proved that unless we want to allow trafficking to go on, with the ultimate certainty that these houses will come into the possession of non-eligible people, we must pass restrictions of this character.

There are two other amendments to which I would like to refer. Owing to some indefiniteness in drafting, it is not quite clear under the present measure that an applicant is limited to one home, and this Bill seeks to put that right. Another provision is also rendered necessary by an oversight in the present measure. There is a limitation on the freedom of the Commissioner in purchasing land. He can buy up to £5,000, but beyond that amount he has to seek Ministerial approval. No similar restriction was placed upon his operations in other directions, but it is now sought to make any purchase over £5,000 subject to the approval of the Minister. That is, briefly, the purpose of the Bill.

Now, I propose to present a review of what has been done by the Commissioner, and also to make known the programme outlined for the next year or two. I would remind honorable senators that war homes have been going up under two authorities hitherto, namely, the Commissioner, and the Commonwealth Bank. When the agreement with the Commonwealth Bank was first entered into, the underlying factor was that we were confronted with an accumula-

tion of applications, and that these had to be dealt with at the earliest possible moment. We knew that thousands of applicants wanted homes. It was recognised, moreover, that it would take some time before the Commissioner could get fairly into his stride and initiate steps to meet the demand. The arrangements with the Bank rested upon this division of labour. It was known that, among the applicants, there would be thousands of men who wanted particular homes in particular spots, that is to say, individual homes. It was thought that it would expedite matters, therefore, if we handed over to the Bank the work of dealing with individual homes and kept the Commissioner free to concentrate his efforts in building in a large way, in purchasing large areas, subdividing them, and putting up houses in groups in anticipation of applications rather than to meet the individual requirements of applicants; indeed, to fulfil the needs of those applicants who had no especial regard for the character of their desired home, or for its locality. The idea was in such fashion to divide the labour for the first year or two, with the hope that, as the Commissioner proceeded with his building activities, he would have houses waiting for applicants rather than that there should be applicants waiting for homes.

Of the applications received to date, the total number is 24,992. Of these, 11,373 applications have been approved; 1,816 have been refused; 4,337 withdrawn; and 7,466 are pending. I desire to make a further subdivision of those particulars. Among the applications, 44 per cent. were to build; 45 per cent. were for the purchase of already existing houses; and 11 per cent. were from applicants who desired that their mortgages upon houses which they already held should be transferred from private mortgagees to the Commissioner. The applications approved to date involve an expenditure of £6,678,151. I should mention that although these applications have been approved, they are not yet all finalized; many of the buildings are in course of construction. But, of the total of more than six and a half millions sterling, the sum of £4,847,000 has been spent. With the expenditure of the difference between the two sums, will be

achieved the completion of the houses now being built.

I have mentioned that the total expenditure so far undertaken amounts to £4,847,000. Honorable senators, no doubt, would like to learn the administrative cost involved in handling that sum. Up to 6th March, 1919—from the inception of the scheme—the administrative cost has represented 2.20 per cent.; that is to say, about £2 4s. per £100. Coming to the 30th June last, the cost represents 2.18 per cent. That does not indicate a very great difference, but I am pleased to notice that the cost is slightly on the down grade.

Senator WILSON. — Very excellent figures, anyhow.

Senator E. D. MILLEN.—I am not disappointed or ashamed of them. Here was a new organization, calling for the creation of a new staff which, to some extent, had to be tried out in the course of learning its job—and it was a rush job at that—and the fact that so large a sum of money should have been expended at so small an administrative cost, is surely not unsatisfactory.

HONORABLE SENATORS.—Hear, hear!

Senator E. D. MILLEN.—The Act itself provides both for the purchase of existing houses and for the building of new homes. From the inception of the scheme, with so many applicants waiting, it was deemed wise to do what we could in order to meet the first great demand by the purchase of existing houses. From another standpoint, however, that policy did not, and does not, commend itself. It does not help to solve the housing difficulty; and, although it was then abundantly necessary that we should enter upon such a course of action, we are hoping now to do much less buying and much more building. By pursuing that policy not only shall we be doing something to make up the shortage of houses, but we are quite satisfied that in building homes we can give to applicants better value for their money than by purchasing already existing homes.

Senator WILSON.—While at the same time the community in general will also reap a benefit.

Senator E. D. MILLEN.—Just as I have pointed out. I would reiterate a warning which has already been given

several times, but without much effect. We know of the eagerness of our returned men to acquire homes for themselves, and we know that many soldiers have entered into contracts with private vendors—men generally associated with speculative builders. Instead of conferring first with the Commissioner and applying that the house desired to be purchased should be inspected—after which it would be for the Commissioner to make the necessary advance—numbers of returned men have entered into private bargains with vendors and have paid deposits. Then, not infrequently, when the Commissioner's representative has examined the house in question, the Commissioner has had to indicate that he is not prepared to make the amount of advance necessary to complete its purchase. Some very remarkable cases have been brought under my notice in this regard. Men have paid down from £50 to £100 by way of deposit, and have entered into an agreement to complete purchase on the assumption that the Commissioner would advance them £700 additional. However, when the Commissioner's inspector has examined the house he has had to declare, quite frequently, that it is not worth two-thirds of the price charged; and, for some homes, the Commissioner has had to say that he would not agree to make an advance for purchase at any price. In quite a number of instances, so convinced have the applicants become—when they have gone over the property in which they are interested with an official representing the Commissioner—that they have been prepared to forfeit the amount of their deposit rather than go on with the private transaction. In such instances we have endeavoured to get the vendors to release the would-be purchasers, and to "let up" on the deposit. In some cases we have succeeded.

Senator GARDINER.—Could not a clause be inserted in this measure to compel vendors to return the deposits?

Senator E. D. MILLEN.—I do not know that we can pass any law to protect a fool from the results of his folly, and the fact cannot be denied that numbers of our soldier boys, from want of knowledge and experience, have been foolish in this respect. The correct course of action—and here Senator Gardiner could render valuable assistance—is to give all possible publicity to the warning, and so set returned men against

the practice of entering into private contracts, while relying upon the Commissioner for assistance, but without first consulting him.

Now I desire to revert to the work already accomplished. I have mentioned the number of applications so far received and the position in which they stand at this moment. To date, 1042 houses have been built and completed. In respect of 73 others, the owners have been assisted to complete construction. In these cases the returned men concerned had proceeded to build, and found they were not quite sufficiently financial to conclude the contract. They therefore availed themselves of the provisions of the Act and received assistance. So far, 5745 houses have been purchased, so that 6860 returned soldiers have already, as a result of the operations of the Act, been provided with and established in homes. There are now under construction—in addition to the homes just indicated—2678 houses. Of these, 1278 have been constructed by contract and 1400 by day labour. In addition to the number just mentioned as having been constructed, 302 further contracts have been let; and tenders are in hand for 712, which tenders have been examined and are to be finalized within the next few days. Altogether 1353 mortgages have been lifted. Adding these to the 6,860 men who have been furnished either with new or purchased houses, 8,213 applications have been satisfied. That is approximately 45 per cent. of the actual applications, excluding those which have been rejected or withdrawn. Altogether 8,213 applicants have been satisfied out of a total of 18,000. The average cost to the occupants of the houses has been as follows:—£561 in the case of bought houses, £647 in the case of built houses, and £474 in the case of houses subject to mortgages.

Another matter to which I desire to direct attention is the price which the Commissioner is paying for land. The average price of the allotments which he is purchasing is 30s. per foot, and he is working, as far as possible, on the basis of a 50-ft. frontage. Bearing in mind land values generally, I submit that 30s. per foot is a cheap price for these men to pay for the land upon which to erect their homes, seeing that this land is situated in localities where sewerage, water, gas, and transport facilities al-

ready exist. Where the Commissioner acquires an area of land lacking these facilities, they are provided as the result of municipal effort under an arrangement with the Commissioner, and their cost is included in the prices which I have already quoted. The ability to get land at those prices—which are much less than the prices at which we could get it if we attempted to carry through a single transaction—is the result of the freedom which the Commissioner enjoys under the principal Act, which enables him to purchase broad areas and to subdivide them himself.

Senator WILSON.—It is the result of being able to get in on the ground floor.

Senator E. D. MILLEN.—Precisely. It is the result of the advantages which the Commissioner enjoys over the speculative builder. Of course, it is quite easy for the Government to spend money; but we are naturally concerned to know how that money is being repaid. In this connexion I have a very gratifying statement to make to the Senate. Up to the 30th June last, of the amount due by the soldier occupants of these houses, namely £116,144, all but £2,447 had been repaid. The arrears, therefore, appear to be quite small. I repeat that of the amount due by soldiers no less than £113,697 has been repaid. I doubt if any other business can show such a small percentage of bad debts. But it must not be assumed that these arrears represent an irretrievable loss.

Senator WILSON.—There cannot be a loss if the valuations have been sound.

Senator E. D. MILLEN.—I should regard it as very regrettable if the Commissioner were obliged to turn any of these men out of their homes. The figures which I have quoted indicate that there is going to be little need for drastic action of that character. Those figures, indeed, seem to be abundantly good; but, in order to check them, I have referred to the last report issued in connexion with Crédit Foncier loans granted in the State of Victoria. I find that, in connexion with the Crédit Foncier system there is outstanding the sum of £4,730,000, the arrears upon which total only £4,711, which represents 2s. per £100. The amount outstanding under the war service homes scheme is

£4,847,000, or £100,000 more than is outstanding in connexion with the Crédit Foncier branch of the Victorian State Savings Bank. For the purposes of comparison, let us assume that the amounts are equal. What then is the position? Whereas of that amount there is outstanding in the books of the Crédit Foncier branch of the State Savings Bank a sum of £4,700, there is outstanding on the books of the War Service Homes Commissioner an amount of only £2,447. Both actually and by comparison, therefore, it is apparent that our soldier applicants for these homes are standing well up to their obligations.

In another part of the principal Act it is provided that the Commissioner shall be his own insurance company, the idea being that as he himself was the builder of the homes he would be in a position to eliminate a lot of unnecessary expense if he carried his own fire and other risks. At the present time there are 2,059 policies in existence, representing a sum of £2,133,000. There is a discrepancy, therefore, between the number of policies in existence and the number of properties over which the Commissioner has a mortgage. This is due to the fact that many of the properties purchased by him carried prior fire policies. But as these fall due they will not be renewed, and the properties will thus fall under the Commissioner's scheme. The revenue received from insurance policies amounts to £3,115, and the liabilities to date to £1 19s. I wish to inform honorable senators of the rates which the Commissioner is charging on the advice of actuarial experts as compared with those which are being charged by private companies. For a £600 house the charge under the War Service Homes scheme is 7s., whilst that by private companies is 13s. That charge is for a house built of brick, cement, and stone. For a wooden house of equal value the charge by private companies is 40s., whereas that by the Commissioner is 19s. There is a great discrepancy, therefore, between the rates which are being charged by private companies and those which are being charged by the Commissioner, and a doubt may arise in the minds of honorable senators as to whether the Commissioner's charge rests upon a sound basis. After conferring with the actuarial ex-

perts who were called in to determine this point, I am satisfied that the work can be successfully undertaken for the charges which he is making. The great economy which is achieved under his scheme is due to the fact that he has no directors to pay, and that his own salary is not increased as a manager of a concern by reason of the insurance. Colonel Walker would not be paid anything less if there were no insurance premiums attached to the War Service Homes scheme. In addition, a great saving is effected by the absence of the necessity for an inspection of these homes. An insurance company when asked to insure a property usually sends an officer to inspect it. The Commissioner having built these homes himself, knows what they are, and thus avoids that obligation. There is still another expense which I may mention—that in connexion with the preparation of a fire-insurance policy. Anybody who has seen the rather formidable-looking document known as a fire-insurance policy must recognise that its preparation costs something. It is not necessary for the Commissioner to issue such a policy. The issue of a mere receipt is all that is required. I have satisfied myself, therefore, that the Commissioner can carry out his insurance scheme by charging the rates which I have mentioned. The benefits accruing from these lower rates do not go to the Commissioner, but to the soldiers themselves. Of applicants who have been satisfied 33 per cent. made some deposit or were owners of the land on which the buildings were erected. That is a very gratifying state of affairs, and it seems to me to indicate that Australians are not quite the thriftless people that some persons would have us believe.

Senator FOLL.—The figure will be increased by the use of the war gratuity bonds.

Senator E. D. MILLEN.—That is possible. The Commissioner is doing all that he can to point out to applicants how much it would be in their interests to lodge their gratuity bonds, and thus hasten the time when their houses will be free of mortgage. So much for what has been accomplished in the past.

For the immediate future—the next two years—the Commissioner aims at the erection of 8,000 houses each year. In

determining the number to be built it is necessary to take into account factors other than the mere number of applicants. We can multiply applicants, but we cannot multiply labour or the supply of materials necessary to satisfy the applicants. The Commissioner must have regard, not only to the number of applicants, but to the labour and material available and to the possibilities of interruption by industrial troubles, of which he has already been in many respects somewhat of a victim. He has decided that a programme of 8,000 houses per year represents the maximum which with any degree of confidence he can set his hand to. He is building houses at that rate to-day. I do not wish to sound a note of pessimism, but bearing in mind that on two occasions memorable in the annals of this city building operations were thrown idle for some weeks, I cannot help thinking that it may not be possible for one reason or another for the Commissioner to complete the erection of 8,000 houses in the year. If there should be no interruption in the supply of material and labour in the various trades there can be no doubt that he will be able to carry out his programme; but it seems to be almost too much to hope that for twelve months we shall have entire freedom from industrial troubles of the kind I have referred to. Honorable senators will recognise that every day's stoppage of work must decrease the annual output. Experience only can show whether there are grounds for my fears.

Even though the Commissioner should be able to build 8,000 houses each year for two years, it is quite clear, in view of the number of applicants, that some must wait. Only a certain amount of labour and material is available, and it is not possible to hold out any very great hopes to a number of the returned men. They cannot expect that their applications will be filled for some little time to come. Everything will be done to speed up the erection of soldiers' homes, and if circumstances are especially favorable, and it is possible to exceed the 8,000 houses per year, the Commissioner will do so; but it would not be acting fairly to a number of men who may be expecting that houses will be available for them in a few months if we did not let them know that it might take much longer to satisfy them, be-

Senator E. D. Millen.

cause of the accumulation of applications to be dealt with.

The shortage of houses is not peculiar to Australia. I have been trying to gain some idea of the position in this respect in other parts of the Empire and the world. From all I can gather there is a general recognition of the shortage of house accommodation, and very considerable complaint in consequence. The shortage in Great Britain is estimated to be 500,000 houses. The Government there are not acting directly as we are doing here, but are seeking to act through local municipal and other bodies, and so far, it seems to me, they have not achieved any very great results. According to the May number of the *London Magazine*, although the programme outlined was 500,000 houses to be built in three years, and the scheme had been in operation for some months, only 129 houses had been completed ready for occupation, and 5,392 were in process of erection. Comparing the figures for Great Britain with our own, we have actually made much greater progress; but if they are compared in relation to needs and population there is simply no comparison between the results achieved in Great Britain and those achieved in Australia, disappointing though the results achieved in Australia may be to some persons.

In Canada the same line of action as that adopted by the Imperial Government has been followed. The Dominion Government of Canada advances only to the Provinces for this purpose. The Governments of the Provinces in turn advance to local government bodies and other organizations. On the Estimates for Canada this year, I have noticed an item of £2,500,000 in satisfaction of these provincial loans. That amount puts in a very favorable light indeed the proposals of the Commonwealth Government. We are making available a very much larger sum. We have already spent £4,750,000, and the amount it is anticipated will be spent this year will be in the neighbourhood of £7,000,000. When we consider Canada's £2,500,000 we need not fear a comparison with the Australian figures.

The United States of America Government are practically doing nothing. They did start to build a number of houses while the war was on for the purpose of housing munition workers, but the moment the Armistice was signed and there ceased to be any necessity for housing

munition workers the Government did not transfer their activity to the erection of homes for returned men.

In South Africa, as in Great Britain, the Government make advances to local government bodies if they are prepared to build for houseless people.

The conditions in New Zealand approach more nearly to our own. They have a system there under which they advance money for 25½ years at 7 per cent. As honorable senators are aware, the rate charged in Australia is 6 per cent., covering both principal and interest. This is a hasty review of what has been done elsewhere.

Senator FOLL.—It is satisfactory to know that in Australia we are leading the world in this respect.

Senator E. D. MILLEN.—I have said before, and do not mind repeating the statement, that Australia has nothing to fear from any fair comparison of what we are doing for our returned soldiers with what is being done in any other country in the world.

I have a word or two to say with regard to the agreement with the Commonwealth Bank. I do not hesitate to tell honorable senators that the working of that agreement has not proved at all satisfactory. I do not wish to say that any one was to blame for this. It soon became apparent in working the agreement that there were two authorities engaging in transactions. First of all, there was competition in the efforts to secure the labour and material available. That was a distinct disability. A more serious one to my mind arose from the fact that under the agreement, although the Commonwealth Bank claimed that it was merely an agent, it was yet impossible to control it. The Bank was an agent at one moment, and at another was claiming a free hand. There can be no responsibility without authority, and I came to the conclusion that the Commissioner or myself, being responsible for the working of this scheme, must have full authority to carry it into effect. It was agreed that the Commonwealth Bank and the Commissioner, with the approval of the Government, should terminate the agreement, and it has been terminated now for some little time. All that the Bank is now doing is clearing up the work which it had in hand. In future its assistance will be limited to receiving repayments as they are made. The Commonwealth Bank is a very proper in-

stitution for that, and it will save a certain amount of internal work. Repayments can be made direct to the Commonwealth Bank, and that will make it unnecessary that they should first of all be made to the Commissioner, and should then be taken by him to the Bank. In future the Bank will be merely a receiving house for repayments.

I may be allowed to say a word or two as to the character and value of the houses that are being constructed. A number of honorable senators have inspected some of the houses, and I am gratified to note that no member of this Parliament with whom I have come in contact who has seen any of them speaks in any but the most flattering terms regarding the work done. I extend an invitation to honorable senators who have not yet seen them to do so. If any of them will intimate a desire to inspect the houses in process of building or when completed the Commissioner will make an officer available for the purpose. I express my own opinion of them when I say I would consider that I made a remarkably good deal if I could take the whole of the houses off the Commissioner's hands at an advance of anything from £50 to £100 over the prices which the soldiers are asked to pay for them. Two or three very gratifying certificates have been received. Some criticism of these houses has appeared in one or two journals. In answer to them the Returned Sailors and Soldiers League was invited to send a delegation to inspect the houses, and Captain Dyett, President of the League, having seen them, expressed his satisfaction with them in no measured terms. He was not only satisfied with the houses but was of the opinion that the soldiers were receiving them at £100 less than they would bring in the market. I attach considerable importance to the opinion expressed by another gentleman concerning these houses. I was engaged in opening a group of soldiers' cottages in one of the suburbs of Sydney. The Mayor of the suburb was a building contractor, and after the opening ceremony was completed he said that although he had viewed the experiment with the gravest doubt, and had predicted its failure, having seen the houses he said as a builder of thirty years standing that he must compliment the Commissioner upon what he had done, and that the cottages

were a great acquisition to the municipality over which he presided. When a gentleman is frank enough to say that approaching an experiment with a feeling of scepticism he has to confess his satisfaction at the result it will be admitted that the Commissioner must have done his work thoroughly and well. I again invite honorable senators to make their own inspection of these houses, and I shall be very much surprised if they do not agree that they justify the remarks I have made.

Senator DRAKE-BROCKMAN.—Are they the same in each State?

Senator E. D. MILLEN.—They are of the same type.

Senator DRAKE-BROCKMAN.—So that if we see one group we see all?

Senator E. D. MILLEN.—Except that all the cottages are not alike. There are the same specifications and plans.

That there should be a great deal of criticism of the operations of the Department is only natural. In the first place the Australian regards it as his unchallengeable privilege to criticise the Government and any Government agency. I believe that if government were abolished he would be deprived of one of his chief occupations. The habit of criticism is firmly fixed in the mind of the average Australian. I am not complaining of that. There were special reasons why returned soldiers might perhaps be a little critical in connexion with this matter. They were very eager to get into these houses, and naturally became very vocal when they found that they could not do so on short notice. I can quite understand their complaint. There is another class of complaints to which I should like to direct attention. These are complaints that come from the representatives of vested interests. I am not hostile to any vested interests, whether of builders or architects, but I say that a duty was imposed upon me, and upon the Commissioner, under the Act to build houses for returned soldiers faithfully and well, and as cheaply as possible, and if in order to carry that out it was necessary to disturb some vested interests the responsibility had still to be met. When we asked the Commissioner to build houses he was instructed to do so as cheaply as possible, with material of the right quality. In doing this, it is quite clear that the builders and con-

tractors were restricted in their field of operations. I am sorry for that, but I cannot help it, and I submit that the Commissioner, and the Minister, would be blamed if they ceased their operations out of regard for the private interests which may have been affected. The architects have complained that they are not getting a fair share of the work in connexion with the erection of war service homes. That is perfectly true; but I cannot see any hope for them. The Commissioner, by having standardized plans, is able to furnish plans and specifications at a much lower cost than any architect would be prepared to supply them to any individual, for a single building. Bearing in mind the purpose of the work, the Commissioner would be wrong, and I, as Minister, would be wrong, if we adopted a more expensive method simply because of some interference with the work of a number of deserv- ing citizens. Honorable senators will be able to realize that, with standardized systems, the cost of the work can be considerably reduced, and that if the interests of the architects were studied, and the work of the Commissioner ceased, it is fair to assume that the amount would be considerably higher than what it is at the present time.

Reference has been made from time to time to the delays that have been experienced in connexion with the construction of homes. I admit there has been delay. The applications are greatly in excess of the Commissioner's ability to meet them. But if honorable senators will recollect that for many years building has been proceeding slowly, particularly during the war period, and that 260,000 men returned to Australia within a few months, they will be able to realize the difficulties confronting the Department. Many of the men who returned within a very short period would, but for the war, have married from time to time, and in view of the abnormal conditions prevailing, the Department, in providing homes, had to make up a leeway. Honorable senators will recognise that by nothing short of a miracle could we have built in a few months, or even years, sufficient houses to meet the exceptionally heavy demand. I want to ask this question: If the Commissioner is slow in meeting the requirements, is any one building houses at a more rapid

rate? If inquiries are made in any suburb from those engaged in the business, it will be found that houses are not being built by contractors at a faster rate than they are being constructed by the Department. The dearth of labour and of material is responsible, and, as illustrating one of the difficulties, I may mention that no less than 182 working days of last year were lost in consequence of strikes of one sort or another. This proved a very serious inroad in the working time of the year, and the seamen's and engineers' disputes were to a large extent responsible for the delay.

Senator FOLL.—Is the principal shortage in connexion with labour or material?

Senator E. D. MILLEN.—Speaking offhand, I would be disposed to say there is a greater shortage of labour.

Senator REID.—Skilled labour is scarce everywhere.

Senator E. D. MILLEN.—Of course, it is. As indicating how short supplies of material actually are, I may say that it is not unusual for contractors to approach the Commissioner for material which they require. While sympathizing with them, I desire to point out that the troubles they are encountering are also being experienced by the Commissioner. He has no large stocks on which he can call, and is meeting with many of the difficulties and disabilities experienced by private contractors. It is true that he has taken steps to procure large supplies, and owing to the magnitude of his operations has been able to purchase his requirements to advantage. It is still true, however, that he is hampered by the difficulty in getting material, which, a few years ago, was available in abundance.

I desire to refer to the shortage of houses throughout the Commonwealth, and I am surprised to find that no definite statistics are available on this point. *Knibbs* has given some figures, but the number of houses in relation to the population are not shown. The *Melbourne Herald* a few weeks ago, in two very interesting articles, set down the shortage of houses in Victoria as 60,000, but I do not know on what that estimate was based. I am unable to give definite information, but I desire to present one or two sets of figures which may be indicative of the present position, and I am taking the metropolitan areas of

Sydney and Melbourne in the comparison I propose to institute. I suppose one of the determining factors in creating a need for houses is the interesting ceremony known as marriage, as I suppose practically every marriage means a demand for a new home. In Sydney between the years 1910 to 1914 41,865 marriages were recorded in the metropolitan area, and during the same period 39,311 houses were built, so that there were excess marriages to the extent of 2,554 over the houses built during the pre-war period. When we take the war period, 1915-20, the marriages were 47,611 and the houses built 40,221, an excess of marriages over homes built of over 7,000, as compared with 2,554 during the pre-war period. The figures concerning Melbourne are even more striking, as, in the metropolitan area, the excess of marriages over houses built in the pre-war period was 4,197, and in the war period 19,092. It has been suggested that the increased number of marriages was due to the proximity of Melbourne to the principal training camps in this State; but the same could be said to some extent concerning Sydney. There is another way in which I shall endeavour to show how the shortage of houses can be demonstrated. In Melbourne, between the years 1910-1914, the mean population was 628,000, during which period 27,795 houses were built, or an average of over one house for 22.6 of the population. In the war period, 1915-1919, the mean population was 711,000, when only 24,182 houses were constructed, so that, with a larger population, a fewer number of new houses were built. The average for the pre-war period was 22.5 persons per house, and for the war period 29.3 persons per house. If the old rate had been maintained, an additional 7,280 houses would have been built, and it is easy to realize that such a number would have eased the pressure that exists to a considerable extent. The mean population in Sydney for the years 1910-14 was 690,000, during which time 39,311 new houses were built, or an average of 17.5 persons per house. It is rather curious to see the difference between the averages between Melbourne and Sydney, as Melbourne built at the rate of a house for every twenty-two persons, and Sydney at the rate of a house per every seventeen persons.

Senator J. F. GUTHRIE.—Did I understand the Minister for Repatriation to say that there were more marriages, in proportion, in Melbourne than in Sydney.

Senator E. D. MILLEN.—More in proportion, but not actually.

Senator J. F. GUTHRIE.—Proving, I suppose, that the Melbourne girls are more attractive.

Senator E. D. MILLEN.—Or that the Melbourne men are more easily captured.

The figures I have given, if they can be said at all to indicate a measure of shortage, are quite insufficient upon which to enter a judgment. First of all, they deal only with new houses, and it does not mean that every new house is necessarily an additional home, as certain buildings have to be demolished and others constructed in their place. I have already stated that the Commissioner's object is not merely to build houses, but to build them well and as cheaply as possible, and I am entirely in sympathy with his idea that when he builds a house it should be a tangible asset for many years to come. In order to build at a price which I regard as very satisfactory, the Commissioner has been obliged to do certain things. When introducing the parent measure, I pointed out that by buying land and material in a wholesale manner the Commissioner would be able to effect considerable economy, and I trust the Senate will pardon me if I read an extract from my speech on that occasion, when I said—

It is obvious that, if he is authorized to make contracts, or to purchase building materials in large quantities, he will be placed in a position of great advantage. Suppose, for example, that instead of having to make arrangements for the immediate supply of a quantity of bricks from a brickyard, or of timber from a sawmiller, he is able to arrange for big lots of these materials to be supplied over a period of some months. Obviously he will be in a position to effect a saving—a saving, perhaps, of something like 10 per cent. per cottage. Honorable senators will agree that the exercise of economy is desirable at all times, and will recognise that a saving of £50 or £60 in the erection of one of these homes will represent a material help to the soldier. But there is now a special reason for seeking to effect economy. That reason is to be found in the fact that the cost of building material to-day is very high; and, although, sooner or later, it must approximate to its normal cost, it is quite clear that we are not justified in looking for any marked decline for some time to come. It will be seen, therefore, that if houses were built to-day with building

materials at their present price it is quite conceivable that within two or three years, owing to a drop in the cost of those materials, a building may be worth less than it is now. If, by organizing, we can effect a saving at this juncture, it will constitute a very good set-off against any diminution in values later on.

In order to give effect to that, the Commissioner has proceeded on the lines I have indicated by making contracts for considerable quantities, thus allowing him to secure better terms than an ordinary contractor who was purchasing material for, perhaps, only one cottage. In the first instance, the Commissioner has acquired land for 13,000 homes, including those already erected, at an average price of 30s. per foot.

Senator ROWELL.—Does that include the country?

Senator E. D. MILLEN.—It includes country towns, and I am rather surprised to learn that in some country townships the value of the land is as high as it is in the suburbs of Melbourne or Sydney.

Senator GARDINER.—There is a land-value tax in operation in nearly all the municipalities around Sydney. That keeps down the price of vacant lots.

Senator E. D. MILLEN.—I do not care to mention specific country towns which I have in mind; but, as to the interjection of the honorable senator, I could give instances of land values in certain country centres where the system of taxation to which he has referred is in operation, and side by side with them the valuations in other towns where a different system is in vogue; and, in respect of both places, I could indicate what appears to me to be a higher cost than rules in the suburbs of either Melbourne or Sydney. I have under consideration at present a proposal for the purchase of land in a certain Queensland town, and I have been surprised to learn that the value placed upon that land—and it is apparently a fair one, seeing that the circumstances have been closely investigated—is actually in excess of that being paid for land within reasonable distance of Melbourne. The Commissioner, in acquiring large areas for the purpose of erecting numbers of houses in groups—some of which are entitled to be called “garden suburbs”—has been seized of the fact that the creation of aggregations of from 70 to 150 houses must call into existence numbers of little businesses.

Thus, when a big subdivision is determined upon, the Commissioner sets aside certain allotments for business purposes. The idea is that, later on, when the soldiers' homes have been built and occupied, these business blocks shall be offered to the public as business sites; and, to the extent to which a profit is shown upon the sales of those blocks, the cost to the soldier himself will be reduced.

I have been very much angered, when the question of the acquisition of a block of land has come before me, to find very frequently that a great disparity exists between the owner's price to the Department and the price to which he has certified before the Land Taxation Commissioner. I quite understand, of course, that circumstances alter cases; nevertheless, I have been greatly perturbed, because the discrepancy between the two prices has often been beyond all reason. When I find that a man is asking three times the price for his land compared with the valuation on which he is paying his land tax, then it appears to me to be time to take some step to overcome such a state of affairs.

Senator J. D. MILLEN.—It amounts to profiteering.

Senator E. D. MILLEN.—No, it is not that. If we went into Court to secure a valuation, I have no doubt that the Court would concur, approximately, in the valuation asked by the owner himself. What is wrong, however, is that the owner is not paying a fair amount of land tax.

Senator WILSON.—And an owner is not likely to do so until he is compelled. It is human nature.

Senator E. D. MILLEN.—At any rate, I should not like to think that Parliament is without resource in remedying such a state of affairs, and I feel seriously inclined to ask the Legislature to take steps with a view to overcoming this serious disability which confronts my Department.

With regard to the question of material, the Commissioner has endeavoured, by negotiation with suppliers, to enter into favorable contracts. He has proceeded generally to deal with the associations into which the individual suppliers are frequently grouped. I cannot say, however, that his efforts to secure satisfactory contracts have met with uni-

formly happy results. There appears to be a close brotherhood amongst these gentlemen; and they are pretty hard to deal with occasionally, so that really decent contracts sometimes have not been obtainable. I have the particulars of one contract in respect of which the Commissioner is obtaining a certain class of timber at 34s. and 38s. respectively per 100 feet, as against the ordinary milling rate of 48s. and 53s. This represents an actual saving of 11s. 8d. and 11s. 6d. respectively per 100 feet. These are obviously very substantial reductions; and, on a contract of 6,000,000 feet of the class of timber which the Commissioner requires over a period of twelve months, and with regard to the needs of one State only, they involve a saving of £35,000. Every penny of this saving, of course, represents a direct gain to the soldier occupants of the homes under construction. If the Commissioner were to get his timber for nothing, he would not charge the soldier anything; so, the cheaper he secures his supplies the less the soldier is called upon to pay for his home.

I must say that I am disappointed that the Commissioner has not been able to secure more reasonable terms for various lines of materials than has been the case. I quite recognise, of course, that supplies for the trade generally to-day are inadequate; and then, also, it must be remembered that vendors are not under very great temptation to sell to the Commissioner, seeing that they can readily dispose of their stocks at ordinary rates to private contractors.

Senator J. F. GUTHRIE.—Are the vendors making undue profits?

Senator E. D. MILLEN.—I am not going to say anything in regard to that matter, but I think the Commissioner can secure his supplies much more cheaply by instituting another procedure altogether. Whereas in some cases he is able to get straight-out contracts by which he is able to make rather considerable savings, he has to accept concessions in respect of other contracts which work out merely to a point or two of interest better than is available to the trade generally, despite the fact that he is prepared to place big orders, running over many months. However, so long as the shortage of supplies continues, his difficulties are bound to remain. But it is along the lines of entering into special contracts, and, in

doing so, specifically assisting the contractors concerned, that the Commissioner hopes to make substantial savings. The negotiations to which I am now alluding have involved, in certain instances, the making of advances to traders, in order to enable them to put in additional plant, the Commissioner taking a mortgage over the whole of the plant, and having a lien upon its entire output, and the trader undertaking to repay the amount advanced by accepting a reduction upon every load of material delivered. I would illustrate my statement by a reference to a contract having to do with hardwood. In respect of this material the ordinary trade rate is 25s. 10d. The price to the Commissioner, under the system which I have just indicated, is working out at 15s. 9d. The ordinary price to contractors for lime is 5s. 6d. per bag; the Commissioner pays 3s. 11d. The cost of roofing tiles is £19 per 1,000; the Commissioner pays £10.

Senator GARDINER.—Can the Minister place side by side with that comparison the price which the outside public is paying for these materials?

Senator E. D. MILLEN.—These higher prices which I am quoting are the amounts that the general public are called upon to pay. If the honorable senator were to take a contract and he required tiles, he would be called upon to pay £19 per 1000—less the usual trade discount of 2½ per cent. In order to secure such contracts as these the Commissioner has been compelled, in one specific instance, to find money for the purchase of additional machinery to be placed in the works. He has taken a mortgage over the whole concern and holds a lien upon its output; and, upon every load of tiles delivered to him, so much is deducted from the price per 1000 until the sum advanced to the factory owner is wiped off. In the matter of joinery the Commissioner secures a discount of 26½ per cent. off trade rates; and, for plaster, 7½ per cent. off.

Senator FOLL.—To what State do these particulars apply?

Senator E. D. MILLEN.—With one exception the whole of the instances I have quoted are in respect of Victoria. In explanation of that, I would point out that this State contains the head-quarters of the Commissioner, and he is, therefore, inevitably in closer touch with trade conditions, and is able to proceed more

expeditiously here than in other States. I should add that the Commissioner does not want to enter into this method of financing concerns, but he realizes that if he cannot secure supplies at reasonable prices and in the ordinary way, in order to secure the cheapest possible homes for returned soldiers, he must adopt some other and effective course of action.

Senator PAYNE.—And the sooner he extends his operations to the other States, the better.

Senator E. D. MILLEN.—That is so. I do not propose at this stage to enter into specific details or to mention names, but there is no harm in mentioning that the Commissioner is on the eve of completing two deals of considerable magnitude for the purchase of timber lands and certain timber machinery. The completion of these negotiations will go a long way towards furnishing necessary requirements of material for two States. I beg to be excused from giving exact particulars, seeing that the negotiations have not yet been completed, but there is no reason why I should not say that I expect them to be finalized, as an outcome of which the Commissioner should be able to effect a saving upon the one item of timber such as will confer very material advantage upon our returned soldiers.

Just a word now regarding the much vexed question of day labour *versus* contract. I have previously informed the Senate that I am no believer in day labour, any more than is the Commissioner himself. However, when it was found that contractors would not tender at prices within the limits of the Act it was realized that it meant stopping work or looking for some other expedient. Thus, the Commissioner was forced into the acceptance of the day-labour system. Some time ago I gave to the Senate particulars of a number of tenders, and compared those prices with the costs of the Commissioner in the erection of specific homes. They were remarkable figures and afforded striking comparisons. I propose now to give further details concerning two tenders recently received, and which have been declined. Tenders were called for twenty-one houses—that is to say, for the labour only. Since the Commissioner had made arrangements to obtain material more cheaply than outside contractors could do, common sense compelled him to say, "We will supply

the material, but we invite tenders in the matter of labour." Now, in respect of these twenty-one houses, to be erected at Yarraville, the lowest tender—for labour only—amounted to £190 per house. The Commissioner's estimate was £175. It was an item of only £15 per dwelling; but, for the construction of these twenty-one buildings, it involved considerable saving to our returned men. In addition, of course, there was a guarantee respecting quality of work such as could not have been given under the contract system. The second illustration has to do with calling for tenders for eleven houses at Heidelberg. The lowest tender, again for labour only, amounted to £362 per dwelling. The Commissioner's estimate was £290, thus involving a saving per building of £72.

Senator FOLL.—Is it not possible that the Commissioner's estimates might be exceeded?

Senator E. D. MILLEN.—There is always that possibility, of course; but honorable senators will be interested to know that, in all the Commissioner's experience of building homes for soldiers, the largest amount of excess revealed anywhere has been covered by a £5 note. A special costing system has been devised, and that system is justifying itself. I quite appreciate, of course, that, with his special facilities, the Commissioner has a peculiar advantage compared with an ordinary contractor. When the latter secures a contract for the erection of a group of houses, he has to draw his labour from various parts. He has not much scope for the development of organization in this respect. But when the Commissioner undertakes the construction of 100 or 200 homes at a time, he can do a good deal in this particular alone towards effecting economy. He can have one gang of men taking out the foundations of one building, and then proceeding to do the same for the next. Then, there follows a gang to lay the foundations of the one home and proceed to the next. Next, come the bricklayers and the carpenters, and all the other tradesmen; each group following upon the heels of the other from structure to structure. So far, experience is showing that the Commissioner is building his houses well within his estimates, and these latter are considerably lower than the lowest outside tenders hitherto received. In order to indicate

that the Commissioner is not prejudiced any more than I am in the matter of day labour, I would remind honorable senators that, roughly, half the houses so far completed have been constructed by contract and the other half by day labour. If contractors were prepared to tender and to build upon the basis of the same prices as the Commissioner, they would be gladly given the contracts. So far, however, outside contractors have shown an inability, or a disinclination, to tender at prices at all commensurate with the estimates of the Department.

Senator REID.—If the Commissioner is able to get his material as cheaply as the Minister has indicated, that fact furnishes the answer. No contractor would be able to compete with him.

Senator E. D. MILLEN.—But I again point out that the Commissioner, in the instances just quoted, called for tenders for labour only. His job—it must not be forgotten—is to build houses as cheaply as possible. That is the prime consideration. If the Commissioner, by accepting day labour, can reduce the cost of homes to our returned men, then he is in every way justified in refusing outside tenders, and he is entitled to ask for the support of this Chamber. I am not blaming the contractor, because, without the aid of the Commissioner, he can get plenty of work elsewhere, which is probably one of the reasons why his prices are so high.

There are two other matters with which I desire to deal, and then I shall have finished. I think that I am entitled to say a word or two in commendation of the labours of Colonel Walker and his staff. Having started the Repatriation Department, I know something of the tremendous difficulties which present themselves when one is suddenly called upon to organize a scratch team. The individual may be able enough, but, after all, there is something in team work, and still more in knowing one's particular job. We may have excellent men, but frequently they are round men in square holes, and it takes time before things shake down so that it is possible to get an effective organization. The Commissioner had to face this difficulty, and also an insistent demand for immediate action at a time when the market was short both of material and labour. He has not made the headway that he would like to

have made; but, in view of all the circumstances, he is entitled to commendation for the progress which he has achieved. I have already mentioned some big figures representing an amount of £6,000,000, in connexion with this scheme, and there is an expenditure of many more millions to follow. Naturally in these days, when there is so much talk of economy, and when money is a difficult commodity to secure, there is a certain amount of apprehension when one talks of committing the Commonwealth to a further expenditure aggregating some millions of pounds. But the millions which we are providing to-day are being advanced by way of loan; and, so long as the war service houses are constructed faithfully and well, the security is good. Further, as the men are discharging their obligations with such remarkable promptitude, the country cannot doubt the soundness of the investments which it is making in order to provide suitable homes for the soldiers who fought so nobly for us in the late war.

Debate (on motion by Senator GARDNER) adjourned.

INSTITUTE OF SCIENCE AND INDUSTRY BILL.

Report adopted.

INDUSTRIAL PEACE BILL.

SECOND READING.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [4.30].—In moving—

That this Bill be now read a second time,
I desire briefly to make one or two points which relate more to the past than to the present or the future. I wish to make it perfectly clear that this measure is not intended to interfere with our Arbitration Court as it exists to-day. It is designed to provide supplementary legislation, and to create facilities for the holding of special Courts in time of industrial crisis, so as to deal effectually with any industrial dispute or threatened dispute. We sometimes question whether the system of arbitration in Australia has proved a success or otherwise. In my opinion, it has been instrumental in preventing a good deal of industrial trouble and direct action.

Senator RUSSELL.—It may be a question. After all, our arbitration legislation was largely in the nature of an experiment, but we have learnt a good deal as the result of that experiment. If a new country like Australia does not indulge in experiments, how can we expect the older countries of the world to do so? I am perfectly satisfied that the establishment of our Arbitration Court averted many troubles of an industrial character, and certainly we obtained from it, particularly in the early years of its existence, many just decisions. But upon the outbreak of war it was inevitable that a tremendous increase in the cost of living would take place. The operation of the natural economic law was bound to produce that result. This rise in the price of commodities led to an enormous increase in industrial litigation, and the avenues by means of which the Court could be approached thus became congested with business. Nobody can fail to sympathize with the married men with large families in their struggle for a livelihood during the past few years. They have felt most keenly the increase in the cost of living. In all these circumstances, it is not to be wondered at that there are forty-two cases now pending before our Arbitration Court. Upon more than one occasion men have put their hands into their pockets in order to obtain a decision from that tribunal upon some matter involving an improvement of their industrial conditions. But by the time they succeeded in gaining an increase in their wages of perhaps 2s. or 3s. per day, the cost of living had advanced by more than that amount, so that their position after they had obtained an award in their favour was no better than it was previously. It is experiences of this character which are responsible for much of the bias which exists against the Arbitration Court to-day, and which have prompted quite a number of men to refuse to accept arbitration in connexion with industrial disputes. When, however, normal times have become re-established, I am firmly of opinion that arbitration will again become popular.

Despite the abuse which is frequently hurled at Australia, it is gratifying to know that many British manufacturers speak in glowing terms of the work which is being done by

Australian workmen. Quite recently, I heard it stated, in connexion with the electrification of the suburban railway system of Victoria, that the work was one of the best and cheapest jobs which had been undertaken in any part of the world. It is extremely pleasant to hear such reports of the effectiveness of Australian labour when it is utilized to the best advantage. I am sure that the magnificent qualities which were exhibited by our men upon the battlefields of France will be successfully employed for the development of Australia.

I repeat that this Bill is not intended to interfere with our present Arbitration Court. That tribunal will continue to do its work in the ordinary way. But we must not be blind to the fact that there are quite a number of industrial organizations, the members of which are not prepared to submit their grievances to that Court. Quite irrespective of the organizations to which these men belong, we must recollect that there are always two sides to any dispute. The Bill aims particularly at bringing the opposing parties together in the event of the failure of conciliatory methods for the adjustment of their differences. Under our Arbitration Act sufficient is not done to prevent industrial disputes arising. Instead we wait until they have developed. To my mind that is a mistake. Under our Constitution, our industrial powers of legislation are limited to disputes which extend beyond the boundaries of any one State. We have no power to interfere in other disputes. That constitutional limitation not only destroyed the effectiveness of our legislation, but compelled the workers to start a fight in one State with the deliberate intention of extending it to another State. In other words, industrial trouble was purposely created, and when once a fire has been started it is not always easy to extinguish it.

That the object of industrial legislation should not be to cure, but, as far as possible, to prevent trouble arising. When rival parties get together they usually discover that neither is as good as it imagines itself to be or as bad as it has been pictured by the "other fellow." I am not one of those who cherishes the hope that this Bill will abolish strikes. I do not believe that that

result will ever be achieved. I know that whenever I can get a higher salary than I am receiving to-day, I desire to be in a position to accept it.

Senator J. F. GUTHRIE.—Profit sharing is the best cure.

Senator RUSSELL.—I have seen that system operating successfully at Ballarat in connexion with a local industry. But its success there is due primarily to the honesty of the persons who are connected with that industry. The workers generally need to be protected against some of the men of the keen commercial type, who, unfortunately, disgrace our business community to-day. I am glad to know that these men do not represent more than 5 per cent. of those who are engaged in any particular form of enterprise. Unfortunately, it is usually the man who is permitted to pay low wages, to provide an insanitary factory for his employees, and to do all sorts of mean and petty things, who creates industrial trouble, because the good and conscientious employer cannot successfully compete with him. The Commonwealth Council to be appointed under this Bill will have certain powers, and will not delay action until trouble has actually arisen. The atmosphere of industrial unrest is easily discernible, and the Council will be expected to watch developments, and to do what may appear to be desirable and necessary to prevent disputes. Honorable senators are aware of the fears which have recently been expressed in connexion with the coal industry. No one can at present say that we may not be faced with an industrial crisis before very long if something is not done to bring the two sides in this industry together and effect a settlement of the matters in dispute between them. The only other course to follow is to use force. That I do not think practical or desirable, and I further believe that the people of Australia generally are adverse to the use of force for the settlement of industrial disputes.

Senator GARDINER.—A mistake might be made as to the side on which there was the greatest force.

Senator WILSON.—I think that the force is on the side of common sense in Australia.

Senator RUSSELL.—I am disposed to agree with the honorable senator. I have

known strikes to continue for months and months, and many millions to be lost in consequence. I have noticed a tendency on the part of the women of Australia to-day to object to these long-drawn-out struggles between employers and employees, and not without good reason, because they are the greatest sufferers from them.

Senator J. F. GUTHRIE.—The workers of Australia lost £7,000,000 in seven years through strikes.

Senator RUSSELL.—I believe that it would be found, upon investigation, that the increases in wages which the workers have secured as the result of the adoption of the peaceful methods of arbitration represent 50 to 1 as compared with the increases that they have secured by recourse to direct action and strikes. It must, then, be borne in mind that in submitting a measure of this kind it is not the intention to penalize the worker in any way. The purpose is to dissuade him from direct action, and to encourage him to utilize the machinery provided for conciliation and arbitration.

I have to admit that, to a certain extent, the workers have lost confidence in the institutions we have set up for arbitration in connexion with industrial matters. This is due not to a belief that the machinery has been wrongly used, but to the delay and cost of this method for the settlement of disputes. Lawyers have had to be engaged, and I have known men to be receiving refreshers of fifty guineas a day in connexion with cases before the Arbitration Court. The workers of this country should be able to secure justice without being asked to pay any such fees; but, should any legal point arise, there should be provision made for securing the best professional advice to decide it. I have known of cases in which the late Sir George Reid appeared for one side and Mr., now Mr. Justice, Duffy for the other. I do not say that these gentlemen received too much for their services—

Senator WILSON.—The honorable senator has a very shrewd idea on the subject.

Senator RUSSELL.—I have a very shrewd idea that that kind of conciliation did not pay the worker. The Commonwealth Council will be asked to consider these problems, and take

the necessary steps, by conciliation, conference, or other similar methods, to prevent, if possible, any trouble arising from an industrial dispute. If the Council can bring about an agreement between those in dispute it will be registered, and, for the purpose of enforcement, will be considered equivalent to an award of the Arbitration Court. The Council may be able to bring about a partial agreement only. There may be one or two points outstanding requiring to be settled. In such a case, provision is made for a Special Tribunal, which may be appointed on the recommendation of the Government, or of a majority of the Commonwealth Council, by the Minister, or by the Chairman of the Council. The Special Tribunal will have power to settle the outstanding differences, and its decision will be final.

Provision is made for the establishment of State Councils, as it is recognised that the Commonwealth Council cannot cover all the avenues of trade in Australia. Upon complaint arising in any State, the Council of Industrial Representatives can take action for the appointment of a State Board, consisting of three or four members from either side, to make an inquiry and advise in regard to matters of a local character, but where there is some risk of the industrial trouble spreading throughout the Commonwealth.

These provisions are supplementary, and additional to the Arbitration Court. I believe that in normal times our people will take advantage of the constitutional and legal methods provided for the settlement of differences, and will adopt the procedure of the Arbitration Court. But if to-morrow there was a seamen's strike, or a coal strike, likely to bring about industrial chaos, all this legal machinery might have to be set on one side, in order that an effort might be made to get the disputing parties to come together at once for the settlement of the difficulty. If they can be induced to arrive at an agreement, it can be registered in the Arbitration Court, and will have the force and effect of an award of the Court.

A very democratic principle is embodied in this measure, and one which should inspire confidence in the Council proposed to be established. Equal numbers from both sides are to have the right

to select the Chairman of the Council. This has been tried in Victoria for a number of years in connexion with the Wages Board system, and has always been found to be successful. The worker must have confidence in the institution set up to decide what he is entitled to receive for his labour. I believe that there is quite a large number of men of independent minds, and of all classes, in Australia who will be prepared to help their country by occupying these positions. It would never do to have our Courts suspected of being biased. I know that in the early days of the Arbitration Court many of the decisions of Mr. Justice Higgins appealed especially to the workers of this country. I introduced a Bill on one occasion on behalf of the Government to allow appeals to be heard before a magistrate in any of the States. The purpose of the measure was to do something to relieve the congestion in the Arbitration Court, but the workers were against the proposal, because they had learned to have confidence in Mr. Justice Higgins' decisions, and did not care to take cases from him to a local magistrate. We have to realize that these Courts will have judicial functions. It is not a question of our preference for one Judge or another, but of the adoption of machinery that will afford facilities for the full consideration and final determination of industrial differences, and that will have the confidence of the community.

Power is given under the Bill to frame regulations dealing with many details. The Bill is limited to the Constitution. It is intended that a decision of the High Court declaring one or two clauses of the measure invalid shall not invalidate the whole Bill; but we have no desire by a subterfuge to do, by our legislation, anything which we are not empowered to do by the Constitution. We admit that this measure is limited in its scope; but if, under it, we can do something to bring about the immediate settlement of industrial disputes, and prevent such disputes in one State extending throughout the Commonwealth, we shall have done much for the benefit of the community.

Senator WILSON.—We shall have accomplished a great deal if we can do that.

Senator RUSSELL.—We shall, indeed. It is of little use for us to pass legislation unless it has the confidence of the people. In my view, employers and employees have equal responsibilities in connexion with this matter, and should be equally desirous of arriving at decisions which will keep Australian industries going. I am not unreasonably optimistic. I do not say that this measure provides a cure for all industrial disputes; but, if its operation results in preventing a material percentage of them resulting in industrial trouble, the gain to this country will be very great, and we shall have received much assistance to meet the liabilities we incurred as a result of the war.

The Bill is essentially a Committee Bill, and it may be said that every clause of it is loaded. The Government do not treat it as a party measure, but have introduced it with a desire to secure the best machinery possible for the settlement of industrial disputes. I shall be pleased to give any information I can when the Bill is in Committee, and I shall welcome the fullest discussion of every clause of it. I shall be prepared to listen to any suggestions in reason made for the improvement of its provisions and intended to bring about industrial peace.

Debate (on motion by Senator J. D. MILLEN) adjourned.

NATIONALITY BILL.

SECOND READING.

Debate resumed from 18th August (*vide* page 3575), on motion by Senator RUSSELL—

That this Bill be now read a second time.

Senator SENIOR (South Australia) [4.55].—I have compared the Bill with the British Act, and I have also had the opportunity of perusing the second-reading speech delivered by the Vice-President of the Executive Council (Senator Russell). A perusal of the Bill bears out fully what the Minister stated, that it embodies a spirit of humaneness. Its provisions are not so drastic as those contained in the original measure, and it makes allowances in many ways for a closer supervision than was possible under the original Act. Provision is also made for women who were British subjects before marriage, but who, in consequence of an

alliance with a foreigner, became aliens, to again become British subjects on the death of their husband. Similar consideration also applies in the case of children, so that in many senses the Bill is a great advance on the original Act. When the different States had separate naturalization laws considerable complication resulted, but it is now provided that an alien who comes to Australia and becomes naturalized can pass from one State to another without restriction, and be under the same law. The Bill is a great advance on previous legislation, and creates a system of Empire naturalization, because certificates issued in other Dominions are to be recognised in the Commonwealth. Under the proposed law a naturalization certificate issued in, say, Canada, will be recognised in Australia, whereas under the old law one issued in Western Australia, for instance, would not be of any use in any other State. To this extent, we are adopting a broader outlook in connexion with our naturalization laws than has been the case in the past, and the measure must commend itself to those who are desirous of seeing this question handled from the standpoint of Empire. I do not wish to retard the passage of the Bill, but when it is in Committee I shall ask the Minister for information on certain clauses which at present do not appear clear.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clauses 1 to 5 agreed to.

Clause 6 (Definition of Natural-born British subjects):

Senator SENIOR (South Australia) [5.2].—Sub-clause 2 of this clause provides that a person born on board a foreign ship shall not be deemed to be a British subject by reason only that the ship was in British territorial waters at the time of his birth. Foreign vessels are often trading between British ports, and the question arises as to whether this clause will cover the case of a person born on a foreign ship trading between British ports. In the event of a birth occurring when a vessel is outside British territorial waters, the child would be an alien even if the parents were British. Does this clause cover such a case?

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.3].—If this and other clauses are carefully perused, it will be seen that adequate provision has been made for dealing with

such cases. In the definition clause it is provided that a person is a British subject if he is born within a certain area. A German born on a British vessel might be naturalized against his will. In such cases the person concerned would wish to be naturalized as a German, and to become a subject of his own country, and he will be enabled to do so. Apart from those who do not wish to become British subjects and those whom we do not wish to become naturalized, every one born on a British ship within British territorial waters will be a British subject under the provisions of this Bill.

Senator SENIOR.—I was referring to those born on alien ships trading between British ports.

Senator RUSSELL.—If they are of British parentage they will still be British subjects. There will be no difficulty in the way of any one who wishes to remain a British subject.

Senator SENIOR (South Australia) [5.5].—Questions of dual nationality have also arisen, and instances may occur where an alien may retain the nationality of his country of origin even though he may be naturalized in Australia. I would like to know if provision has been made in the measure for dealing with such cases.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.6].—Shortly after the outbreak of war it was reported that, although many Germans in Australia had become naturalized British subjects they had been denaturalized under a German law. If that were now done, there is power in the Bill to refuse naturalization, and there will be no double dealing in that regard.

Clause agreed to.

Clauses 7 to 13, agreed to.

Clause 14 (Effect of certificates granted by Governments of United Kingdom or British Possessions).

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.7].—I desire to draw the attention of the Senate to this clause, which is most important, and which reads—

A certificate of naturalization granted by the Secretary of State having charge of the administration of the British Act or by the Government of any British Possession shall, in the Commonwealth, have the same force and effect as a certificate of naturalization, granted in pursuance of this Act.

This is a new principle, and one which I mentioned in my second-reading speech.

At one time a naturalization certificate issued in New South Wales was not recognised in Victoria or any other State, and when once the holder of a naturalization certificate transferred his residence from one State to another he lost his nationality. That difficulty has now been overcome, and Part II. of this Bill, and Part III. of the British Act provides that a certificate issued in any Dominion shall be recognised in other Dominions, but not necessarily in all cases. A foreigner who has become naturalized in Canada, and who possesses a clean record in other ways, will be recognised here. On the other hand, if we issue a naturalization certificate in Australia, the certificate will be recognised in other Dominions provided the holder has been a good citizen and has a good record.

Senator SENIOR.—Under the revocation clauses, could the Government revoke a naturalization paper coming from some other source?

Senator RUSSELL.—Yes; and could also revoke a naturalization paper issued previously by any State; that is to say, if there were definite proof that the individual concerned had been guilty of some offence during the war.

Clause agreed to.

Clause 15 agreed to.

Clause 16 (Adoption of Part II. of British Act).

Senator SENIOR (South Australia) [5.11].—Is sufficient power being taken to include in the working of this measure those Dominions which have not yet passed legislation to bring themselves under the British Act, but which may subsequently do so? I have in mind the position of South Africa. Would there be scope afforded to include that Dominion at some later stage, upon its passing similar legislation?

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.12].—Yes; but the same does not apply to every Possession within the Empire. Attempts have been made to secure uniformity by conferences, which have extended over numbers of years. By adopting the schedules set forth at the end of the Bill, we shall be taking to ourselves power to enter upon mutual interchange of certificates.

Senator PAYNE (Tasmania) [5.13].—Senator Senior sought to secure information concerning whether naturalization

papers could be accepted from Dominions which might not have passed legislation adopting Part II. of the British Act, but which might do so at some subsequent period. Upon a Dominion later accepting the provisions of Part II., would the certificates issued from that Dominion be interchangeable?

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.14].—Yes. In Dominions where there are liable to be racial difficulties, it must be remembered that their local legislation may contain provisions and conditions with the details of which Australia could not fall into line. However, if a uniform law were adopted, the Commonwealth would naturally enter into mutual interchanges. This Bill preserves all the racial principles to which Australia subscribes. Let us suppose that a man secures a naturalization paper in South Africa, or some other Dominion, and seeks to enter Australia. If the Commonwealth authorities consider him an undesirable citizen, they can debar him from entering this country. The necessary action would not be taken under this measure, however, but under the provisions of our immigration laws, and, probably, if a person were refused admission on the ground that he was deemed an undesirable immigrant, the Governor-General—under his specific powers—might see fit to take away his certificate.

Clause agreed to.

Clauses 17 to 24 agreed to.

Clause 25 (Representations to Minister with regard to any person who has applied for naturalization).

Senator SENIOR (South Australia) [5.17].—In connexion with advertising a person's intention to apply for naturalization, care should be taken to provide that such advertisements appear in newspapers which circulate in the neighbourhood in which the person in question is known.

Senator HENDERSON.—That is the common-sense practice to-day.

Senator SENIOR.—I hope it will be safeguarded under this measure, for, otherwise, parties who might be inclined to take exception to an individual's naturalization would not become aware of the fact that he proposed to seek naturalization.

Senator RUSSELL.—It may be taken for granted that the Department concerned would insure that the advertisements were inserted in newspapers circulating in the district in which the individual resided or was known.

Clause agreed to.

Clauses 26 to 35 and first schedule agreed to.

Second schedule (List of Dominions).

Senator SENIOR (South Australia) [5.22].—Included in the Dominions I note that the Commonwealth embraces, for the purposes of this measure, the Territories of Papua and Norfolk Island. We are to be given mandates over other Pacific Possessions, and it is not unlikely that the question of the naturalization of various individuals there may arise. What provision is likely to be made for the granting of certificates, for example, in respect of the island of Nauru?

Senator RUSSELL.—Exactly the same procedure as in the case of the Commonwealth itself will be followed there.

Schedule agreed to.

Third schedule and title agreed to.

Bill reported without amendment; report adopted.

AUDIT BILL.

In Committee (Consideration resumed from 20th May, *vide* page 2326):

Clause 3—

The Audit Department of the Commonwealth shall be a separate Department, and the Auditor-General shall be the permanent head of the Department.

Upon which Senator E. D. MILLEN had moved—

That the clause be left out, with a view to insert in lieu thereof the following new clause:—

“The principal Act is amended by inserting therein, after section 10, the following sections:—

10A. The Audit Department of the Commonwealth shall be a separate Department, and the Auditor-General shall be the permanent head of the Department.

10B. Notwithstanding anything contained in the *Commonwealth Public Service Act* 1902-1918 or the regulations thereunder, the powers and functions by that Act and those regulations conferred upon the Commissioner, a permanent head and a chief officer shall, in relation to the officers of the Audit Department, be exercisable by the Auditor-General, and any reference to that Act and those regulations to the Commis-

sioner, a permanent head and a chief officer shall, in relation to the officers of that Department, be read as a reference to the Auditor-General.

Senator E. D. MILLEN (New South Wales—Minister for Repatriation) [5.30].—When this clause was previously before the Committee objection was taken to it by some honorable senators, and also to an amendment upon it which I submitted. During the interval which has since elapsed the Departments concerned have agreed that clauses 3, 4 and 5, which cover the same subject, may very well be deleted from the measure, and that they may more appropriately form a part of the main Public Service Bill which will be introduced at a later stage of the session. Consequently, I ask the Committee to negative these clauses.

Senator KEATING.—Does that mean that the Government intend abandoning the policy that is embodied in them?

Senator E. D. MILLEN.—Certainly not.

Clause negatived.

Clauses 4 and 5 negatived.

Clauses 6 to 14 agreed to.

Title agreed to.

Bill reported with amendments.

PAPER.

The following paper was presented:—

Public Service Act.—Appointments of L. R. Sundercombe and W. MacGowan, Department of Trade and Customs.

Senate adjourned at 5.34 p.m.

House of Representatives.

Thursday, 19 August, 1920.

Mr. SPEAKER (Hon. Sir Elliot Johnson) took the chair at 2.30 p.m., and read prayers.

SELECT COMMITTEE ON SEA CARRIAGE.

Motion (by Sir JOSEPH COOK), *by leave*, agreed to—

That the Select Committee on Sea Carriage have leave to sit during the sittings of the House.

CLERK OF THE SENATE.

Dr. MALONEY.—In view of the early retirement of Mr. Charles Gavan Duffy, the Clerk of the Senate, whose courtesy

to members of both Houses has become a proverb, will the Government give preference to returned sailors and soldiers in making appointments to the posts that will thus become vacant? There are men on the other side who were of military age. Cannot the principle of preference be carried throughout the length and breadth of the Public Service?

Sir JOSEPH COOK.—I think that the appointments to vacancies on the staff of the Senate are within the control, and at the disposal, of the President, but I shall look into the matter.

DISTRIBUTION OF COAL.

Mr. WATKINS. — The Treasurer stated yesterday that the Borehole seam coal at Newcastle was to be reserved for the export trade, but I ask that, before hard and fast arrangements are made, recognition may be given to the fact that some of that coal is now used for bunkering the mail boats, and that a certain quantity of it is mixed with Maitland coal for specific purposes. I have no objection, on general grounds, to the arrangement of which the Minister spoke yesterday, but I do not wish to see the ordinary trade interfered with.

Sir JOSEPH COOK.—The Government in appointing an Administrator hopes that he will exercise the discretion which he will possess in making the best arrangements for the trade. No arbitrary distinction is to be drawn between one kind of coal from one colliery and another kind of coal from another colliery. The Administrator will look at matters broadly, and in the interests of both the local and oversea trade will make such dispositions as may best overcome the difficulty that has arisen. I hope that he may be able to build up our coal stocks here without seriously interfering with trade oversea. My remarks yesterday merely indicated the broad general policy that is to be followed, which may be modified as circumstances may require.

PAPERS.

The following papers were presented:—

Butter—Copy of Agreement between the Commonwealth Dairy Produce Pool Committee of Australia and the Ministry of Food, London.

Ordered to be printed.

Public Service Act.—Department of Trade and Customs—Appointments of L. R. Sundercombe and W. MacGowan.

INCOME TAXATION.

VISITING PRESSMEN—RETURNS—EXEMPTION.

Mr. GREGORY.—Has the attention of the Treasurer been drawn to a paragraph in this morning's newspaper, stating that a special effort was made by the Income Tax Department to collect taxation from the pressmen who accompanied the Prince of Wales on his visit to Australia, and does he propose to take action to refund the amount collected?

Sir JOSEPH COOK.—I was as much surprised as honorable members generally probably were on reading in the newspaper this morning of what had taken place. No doubt what has been done is perfectly lawful, but the action taken seems to be that of some very zealous officer. My feeling is that the pressmen in the *entourage* of the Prince were as much our guests as were the other persons who accompanied him, and I think that in the circumstances we must find a way out of the difficulty.

Mr. RILEY.—Is the Treasurer aware that a large number of prosecutions are taking place among the poorer classes for not filling in income tax returns, and that heavy fines are being imposed by way of penalty? In view of the fact that an increase in the exemption is likely, will he see into this matter?

Sir JOSEPH COOK.—I shall be glad to be furnished with concrete cases, but I shall look into the matter. I understand that about 850,000 returns are furnished yearly, and only about 350,000 assessments made; thus a great deal of work has to be done which yields no revenue, but is none the less necessary to ascertain the incomes of the people. If the honorable member could suggest an automatic method of excluding those whose incomes are not taxable, and getting in returns from all those who should pay, he would assist the Department, and save the Government a very large expenditure.

Mr. CHARLTON.—Has the Treasurer come to a decision about increasing the exemption under the Income Tax Act, so that it may be put into operation in connexion with future assessments?

Sir JOSEPH COOK.—I am afraid that my answer must be that the exigencies of receipt and expenditure at the moment hold out little hope of large exemptions in the matter of taxation.

COAL SHORTAGE.

SHIPS IN BALLAST FROM NEWCASTLE.

Dr. MALONEY.—Will the Minister exercise the control he has over the clearance of the ships from the port of Newcastle, and compel vessels which are voyaging in ballast to Inter-State ports, to carry coal to the States where there is a shortage?

Mr. GREENE.—I am afraid the powers to which the honorable member refers, if they were exercised for any such purpose, would lead to very serious complications, and involve serious damages.

NEW GUINEA BILL.

Bill presented by Sir JOSEPH COOK.

Motion (by Sir JOSEPH COOK) agreed to—

That the Bill be now read a first time.

Mr. TUDOR.—I understand that the Ministry desire that this Bill shall pass through this House by next Friday.

Sir JOSEPH COOK.—By next week, yes. The Prime Minister is anxious, naturally, to take charge of this measure, but, as honorable members are aware, he is in Sydney this week trying to settle a very difficult problem. So far as I can see, there will not be much difficulty in dealing with the Bill by the end of next week; but unless there is a reasonable prospect of so doing, I shall be inclined to take Tuesday as a sitting day. That I do not desire to do without notice. I am quite sure that when the Leader of the Opposition (Mr. Tudor) sees the details of the measure he will find that there is not much in them that is controversial. I appeal to honorable members to help the Government to get the measure through next week without sitting on Tuesday.

Mr. TUDOR.—If the Minister finds it necessary, we might sit later on the Thursday evening of next week, so as not to interfere with any arrangements Inter-State members may have made.

Sir JOSEPH COOK.—Quite so. I shall leave the matter there with that understanding. I wish to avoid sitting next Tuesday, but at the same time we are anxious to get the Bill through.

PERSONAL EXPLANATION.

Mr. GIBSON.—I desire to make a personal explanation in reference to a paragraph which appeared in the *Age* this morning as follows:—

One fact emerged from the debate, and that was, according to Mr. Gibson (V.), that second-grade butter, which was "unfit" for Australian consumption, was eagerly purchased by the British public at high prices.

I made no such statement. What I said was that we held our second grade butter, that is not fit for consumption in Australia, for export to the East at 205s. What I desired to convey was that both the British and Australian consumer get first grade butter, and that the second grade butter goes to the East.

THE BUDGET.

Mr. McWILLIAMS.—I desire to ask the Treasurer when we may expect the Budget.

Sir JOSEPH COOK.—That question was asked me yesterday, and my answer was that the Budget will be delivered the moment it is ready. I hope its preparation will not now take long.

Mr. McWILLIAMS.—That is very indefinite.

ADJOURNMENT (Formal).

FOREIGN EXCHANGE AND CUSTOMS DUTIES.

Mr. SPEAKER (Hon. Sir Elliot Johnson).—I have received an intimation from the honorable member for Flinders (Mr. Bruce) that he desires to move the adjournment of the House for the purpose of discussing a matter of urgent public importance, viz., "The basis on which foreign exchange shall be calculated for the purpose of determining the amount of Customs duties payable in respect of imports into the Commonwealth."

Five honorable members having risen in their places,

Question proposed.

Mr. BRUCE (Flinders) [2.45].—This question has been raised by me before in the House, and subsequently the Prime Minister, in reply to an inquiry by me, gave an assurance that, subject to certain representations being made on behalf of France, he would deal with the matter within twenty-four hours. Those representations were all made some time ago, but I regret to say that the matter has not been dealt with.

Mr. FENTON.—I rise to a point of order, in regard to which, however, I may be incorrect. I understand that action has been taken against the Federal Government, or the Minister for Trade and Customs, in connexion with this matter, and I wish to know whether it comes within the same category as a case *sub judice*. If so, is the discussion in order?

Mr. SPEAKER (Hon. Sir Elliot Johnson).—If the matter is not already before the Courts, or pending—

Mr. FENTON.—It is pending.

Mr. SPEAKER.—I have no official knowledge of that; but if that is so, the honorable member for Flinders will not be in order in proceeding.

Mr. BRUCE.—I had no knowledge of any action being taken, and I am merely raising this point—

Mr. SPEAKER.—One moment. I am given to understand that a writ has been issued in the matter. In that case, the honorable member will not be in order in proceeding to discuss a case with which the Courts are about to deal.

Mr. BRUCE.—May I explain that I am not in any way challenging any action of the Government? It is necessary to collect Customs duties to-day, and to continue to collect them; and all I wish to discuss is the basis on which those duties shall be assessed. I make no sort of reference to anything connected with the legality of any action of the Government in the past, or any action the Government may take in the future. No question of that kind is involved in my motion; I merely raise the question of the administrative rule we are going to follow in Australia.

Mr. SPEAKER.—If the honorable member proceeds on that line, he will be in order.

Mr. BRUCE.—I assure you, sir, I shall not in any way touch on any question that can come before the Courts, but refer only to such a question that Parliament may discuss. I have spoken on the subject before, and do not wish to weary honorable members; but I may remind them of the present basis on which the calculations are made by the Customs authorities in determining the duty to be paid on any article. The present procedure is that, where any goods are invoiced in a foreign currency—to take an easy example, that of France—the Customs authorities take

the numbers of francs which the goods have cost, and turn them into pounds on the par or gold basis of exchange, namely, 25 francs to the £1.

Dr. MALONEY.—The pre-war basis?

Mr. BRUCE.—Yes.

Mr. GREENE.—It is the mintage rate of exchange.

Mr. BRUCE.—It is so called; but that is not the term generally used in popular discussion. The goods may have been bought for 5,000 francs, and when the account is settled for the goods the rate of exchange is taken at 50 francs, and £100 is paid. But when the goods arrive in Australia, the Customs authorities do not credit the statement that they have cost £100, but say that they cost £200, and proceed to levy duty upon the £200 at the rate Parliament has fixed. That naturally leads to goods imported from a country with a depreciated exchange costing a very large amount in comparison with the amount actually paid by the purchaser. The other side of the case is that some other countries, such as America, have an appreciated exchange, and the result is that such countries pay less in duty on goods imported to Australia than the rate Parliament has authorized to be collected. For instance, if the American rate of exchange is \$4 to the £1 and goods are bought on that basis, \$400 will buy only £100 worth of goods. When the goods arrive here, the Customs authorities refuse to accept them as having cost £100; but say that the cost was only £80, because the rate of exchange is \$4.85 to the £1. Thus, on goods from countries which have a depreciated exchange duties are paid in excess of the rates fixed by Parliament, whilst on goods from countries which have an appreciated exchange, the duty paid is less than the Department is entitled to collect. Never before in the history of the world have we had fluctuations of any magnitude in exchange. During the period of the war all nations took steps to keep up their own exchange. As honorable members know, Great Britain sold millions of pounds worth of foreign securities owned in Britain in order to keep the exchange stabilized. Other countries took similar steps. I have here the rates of exchange, high and low, of various countries, during the war period, on the date of the

armistice, and at three subsequent dates, of any magnitude in the exchanges of which prove my statement that during any of the great trading countries of the war period there were no fluctuations world—

EXCHANGE FLUCTUATIONS.

	Parity.	During War—		During 1919—		Armistice.	This Year—		
		High.	Low.	High.	Low.	Novem-ber 11, 1918.	January 30, 1920.	February 2.	June 14.
America ..	4·86	5·06	4·52	4·76½	3·67½	4·76¾	3·50½	3·92	3·95·94
France ..	25·22½	28·98	24·97	45·40	25·96½	25·83	46·32½	48·25	52, 52·30
Italy ..	25·22½	45·65	25·50	53·50	30·25	30·30	54·25	62·27½	71·25, 72·50
Switzerland	25·22½	26·40	18·72	25·20	18·95	24·00	19·93	21·07½	21·66, 21·75
Japan ..	24·43d.	..	..	2/9	2/1	..	..	2/10½	2/7, 2/7½

The following figures show the world's rates of exchange in June of this year as against the par value:—

FOREIGN EXCHANGES, *Times*, 15TH JUNE

Business was much quieter in the foreign exchange market. New York again fell slightly, closing at 3.93½. Francs depreciated further, Paris closing at 52f. 05c., and Brussels at 49f. 32c., but the lira was rather steadier at 71l. 62½. Marks were offered, closing at 157½; and Austrian kronen again weakened, to 575. The following rates were current yesterday:—

Place.	Method of Quoting.	Par of Exchange.	June 14.	June 12.
New York ..	Dollars to £ ..	4·86½	3·93-3·94	3·94-3·94½
Montreal ..	Dollars to £ ..	4·86½	4·50-4·55	4·50-4·52
Paris ..	Francs to £ ..	25·22½	52·00-52·30	51·93-52·05
Brussels ..	Francs to £ ..	25·22½	49·10-49·50	49·20-49·30
Italy ..	Lire to £ ..	25·22½	71·25-72·50	71·50-72·00
Berne ..	Francs to £ ..	25·22½	21·65-21·75	21·70-21·76
Athens ..	Drach. to £ ..	25·22½	33·00-33·50	33·00-33·10
Helsingfors	Marks to £ ..	25·22½	82-92	87-90
Madrid ..	Pesetas to £ ..	25·22½	23·78-23·90	23·92-23·94
Lisbon ..	Pence to Mil. ..	53½d.	11-13	12-12½
Amsterdam	Florins to £ ..	12·07	10·88-10·97	10·94-10·96
Berlin ..	Marks to £ ..	20·43	153-158	155-156
Vienna ..	Kronen to £ ..	24·02	550-600	549-560
Prague ..	Kronen to £ ..	24·02	170-170	165-175
Warsaw ..	Marks to £ ..	20·43	720-730	680-700
Bukarest ..	Lei to £ ..	25·22½	185-190	180-190
Christiania	Kroner to £ ..	18·159	22·25-22·38	22·20-22·27
Stockholm	Kronor to £ ..	18·159	18·05-18·15	18·06-18·09
Copenhagen	Kroner to £ ..	18·159	23·24-23·35	23·30-23·32
Alexandria	Piastres to £ ..	97½	97 7/15	97 1/15
Bombay ..	Sterling to Rupee ..	24d.	1/11½-2/0½	2/0-2·0½
Calcutta ..	Sterling to Rupee ..	24d.	1/11½-2/0½	2/0-2/0½
Madras ..	Sterling to Rupee ..	24d.	1/11½-2/0½	2/0-2/0½
Hong-kong	Sterling to Dollar ..	..	3/7½	3/9
Yokohama	Sterling to Yen ..	24·43	2/7-2/7½	2/6½-2/7½
Shanghai	Sterling to Tael ..	..	4/9-5/2	4/11-5/1
Singapore	Sterling to Dollar ..	..	2/3½-2/4	2/3½-2/4
Manila ..	Sterling to Dollar ..	24·066d.	2/5	2/5
Rio de Jan.	Pence to Mil. ..	16d	15½½	15½½
Buenos Aires, T.T.	Pence to Dollar ..	47·58	58½-58½	58 3/16-58 3/16
Valparaiso, 90 days	Pence to Peso ..	18d.	11 1/15	11 1/15
Montevideo, T.T...	Pence to Dollar ..	51d.	59½-60	58½-59½
Lima ..	English to Peru £ ..	Par.	..	..

Since the war economic conditions have changes have fluctuated in an extraordinary way; to-day France and Italy have

Mr. Bruce.

a hopelessly depreciated currency. I should like to give the House certain concrete instances of the effect upon Customs duties of the fluctuating exchanges—

CONCRETE EXAMPLE ON BASIS OF £100.

—	Invoice Value.	Converted at—	10 per cent.	Value for Duty.	Duty.
	£	£ s. d.	£ s. d.	£ s. d.	£ s. d.
<i>America.</i> \$398 @ 3·98	100	\$4·86 = 81 17 10	8 3 9	90 1 7	45% 40 10 8
<i>Japan.</i> Yen 739 @ 2/8½	100	2/0½d. = 75 8 9	7 10 10	82 19 7	45% 37 6 11
<i>France.</i> Fr. 4677 @ 46·77	100	25·23 = 185 7 6	18 10 9	203 18 3	45% 91 15 3
<i>United Kingdom.</i>	100	.. ..	10 0 0	110 0 0	35% 38 10 0

I draw attention to the fact that our policy of preference to Great Britain is set at naught by the present system, for whilst Japan pays on £100 worth of goods, at 45 per cent., £37 6s. 11d., Great Britain pays, at 35 per cent., £38 10s. An extraordinary fact is that the Australian Association of British Manufacturers recently attended a deputation to the Minister for Trade and Customs, and protested against any alteration in the system of calculating the exchange. I had not the good fortune to be present at the deputation, but, perhaps, the Minister can tell the House the arguments put before him. It seems remarkable to me that the British manufacturer should make such a protest when he is being penalized in comparison with America and Japan, who are the greatest competitors in Australia of the United Kingdom; the imports from France and Italy are almost negligible. I know a great number of British manufacturers, and I am inclined to think that their representatives would get rather a cold reception from their principals on the other side of the world on account of what they have done, because there is no true basis for a protest by Great Britain. There may be ground for a protest by Japan and America against the action I am urging the Government to take, but Great Britain will be benefited thereby, and lifted out of her present disadvantageous position. In the *Argus* of the 13th July the President of the Australian Association of British Manufac-

turers (Mr. W. C. Guthrie) is reported as having said to the Minister—

While the Association recognised that the development of Australian industries must have first consideration, it welcomed evidence that increased preference to British goods was next in importance. Recent Imperial legislation indicated clearly that Britain had taken protective measures against the present unsatisfactory condition of foreign exchanges. An Act was in force requiring the payment of licence-fees equivalent to the difference in exchange on all goods imported to Great Britain from Europe, a much more severe impost than that which arose from the Commonwealth methods of levying duty.

I should like the Minister to inform me whether that speech is correctly reported.

Mr. GREENE.—Yes, because I replied that I was not aware of the facts which Mr. Guthrie stated. I have since ascertained that the Bill to which he referred has been introduced.

Mr. BRUCE.—If one thinks for a moment he must see that if the statement of Mr. Guthrie is correct the exchanges of the world are never to be regulated again, but every country with a depreciated exchange will have to pay a licence duty on its imports into Great Britain equivalent to the depreciation in the exchange. I was so startled when I read that statement that I cabled to London—

Stated here Great Britain has imposed licence duty countries where exchange depreciated equal amount such depreciation. Is there any truth in this statement? If so, what?

To that I received the following reply:—

Referring to your telegram 16th Secretary Customs interviewed has no knowledge of licence duty.

Thinking, however, that there must be some basis for such a statement I continued my inquiries, and at last discovered to what Mr. Guthrie was apparently referring. It is not at all surprising to me that the Secretary of Customs knew nothing at all about the licence duty, because the duty had obviously never been imposed, and it would not be known to an ordinary man dealing with the commercial customs of Great Britain to-day. The Act to which he was referring is an Imports and Exports Regulation Act, designed to prevent dumping into Great Britain, and affording protection to key industries. There are a number of safeguards around the authorities in Great Britain in their administration of the measure which must be taken into consideration. A Trade Regulation Committee is established, which exercises control over the most important provisions of the measure. Part II. gives power to prevent dumping, and Part III. contains the provisions for safeguarding the key industries, and counteracting any possible flooding of them by imports from countries with an abnormal depreciation of exchange—these are the significant words employed—which are not adequately compensated by increased cost of production. This means that the Act can be enforced in respect to a country with a depreciated rate of exchange, which can produce on the pre-war basis of production, but not when the cost of production has increased in that country. From the exchange point of view, the measure is confined absolutely to imports from countries where there has been no compensating increase in the cost of production, but the principal point to bear in mind in considering the matter is that no action can be taken except with the authority of a Trade Regulation Committee of seventeen members, ten of whom are chosen by the House of Commons. It is this Act which is the sole basis for the suggestion that Great Britain has done anything in the matter, and it has simply included in an anti-dumping Act designed to safeguard key industries a provision that a Trade Regulation Committee of seventeen members, including ten members of Parliament, may prevent imports from a country with a depreciated rate of exchange, where there has been no corresponding increase in the cost

of production. It is a very small measure, in no way applicable to what is occurring in Australia.

The other point is what is being done in other countries. America has been faced with exactly the same set of circumstances as apply here, or rather the position has been more accentuated there, because to-day the dollar is the highest currency in the world. Recognising the difficulty of the position, America appointed a committee of commercial lawyers to investigate it; and as the result of that committee's inquiries the principle of the rate of exchange of the day has been accepted and put into operation.

Dr. MALONEY.—What does that mean?

Mr. BRUCE.—I can explain it in this way: Before the war, the Italian lire was worth 19 cents; in other words five lire equalled one dollar. To-day the dollar is worth 10 lire, and when goods are bought in Italy they are purchased on the basis of 10 lire to the dollar. But if an American buyer purchases \$500 worth of Italian goods in lire the American Customs charge him duty on the basis of \$500 worth of goods. Under the system operating here, and operating in America until this committee of commercial lawyers effected a change, he would have been called upon to pay duty on the basis of \$1,000.

Another country which, perhaps, is on parallel lines with Australia is New Zealand, which has now accepted the bank rate of exchange and abandoned the gold basis, which Australia is still following.

Mr. GREENE.—New Zealand has made it optional to take one or the other. They allow the importer to pay duty on whichever basis favours him.

Mr. BRUCE.—There is not much doubt as to what the importer will do.

Mr. GREENE.—They take the mintage rate of exchange in one case and the commercial in the other, whichever is more favorable to the importer.

Mr. BRUCE.—I would be prepared to accept the same arrangement here.

Mr. GREENE.—That would not suit the Trade and Customs Department.

Mr. BRUCE.—Whichever method we adopt it should be the fairest to the importer in the sense that he does not overpay what is due, but we need no go so far as New Zealand. The Government is entitled to collect Customs duty on the cost of goods.

Mr. Bruce.

There is another side of this question which ought to be brought under the notice of the House, particularly in these times when we are experiencing such extraordinary financial difficulties and are in such trouble about our revenue. Under the system adopted by the Trade and Customs Department, goods from America and Japan pay less duty than we would actually be entitled to collect on the sterling value paid to those countries for the goods; and on goods purchased in France and Italy we get rather more duty than we are entitled to collect.

Mr. GREGORY.—Considerably more.

Mr. BRUCE.—Do not let us overstate the point. The case is quite strong enough without doing so. Here are some extraordinarily significant figures for the year 1918-19, the last available from Mr. Knibbs with regard to Customs returns—

UNITED STATES OF AMERICA.

Total importations—Produce or manufacture of United States of America	£27,180,796
Total all importations	27,927,325

JAPAN.

Total importations—Produce or manufacture of Japan	£8,203,725
Total all importations	8,281,439

ITALY.

Total importations—Produce or manufacture of Italy	£581,631
Total direct from Italy, irrespective of origin	165,970

FRANCE.

Total importations—Produce or manufacture of France	£1,651,833
Total direct from France, irrespective of origin	144,544

In that year we had nearly £36,000,000 worth of goods from countries on which we are losing money on Customs collections, and imported about £2,200,000 worth of goods from countries where we get a small gain on Customs collections. The figures for 1919-20 are not available, but I should say that there is still a large balance of trade from America and Japan. I feel confident that the balance is at least £10,000,000 in favour of those two countries, and the loss of revenue in this way is startling. It must be remembered that the figures represent the declared value of the goods on which Customs duty was paid, and not the actual amount paid to America for the goods. Something must be added in respect to the fact that during the year the average value of the dollar was about 5s. sterling, whereas our Customs Department accepted the basis as \$4.86 to the £1 sterling. Similarly with the other countries

the imports are overstated, because they are taken on the basis on which the Customs Department collected duty. In some figures which I shall give I have endeavoured to make a suggestion as to the amount of revenue we have probably lost through adopting the system followed here. We are aided by the figures for 1917-18. In that period the total value of merchandise entered for consumption in Australia was £59,896,190, on which £9,633,507 was collected as duty, or 16.08 per cent. Taking 16 per cent. as a fair average basis on the figures for 1918-19—I saw a calculation the other day based on the average of 50 per cent., but I do not think there is any justification for such an estimate—I have prepared the following table:—

UNITED STATES OF AMERICA.

Imports calculated at \$4.86 to £1.	
should be \$4 to £1.	
Equals 21½ per cent. depreciation.	
Customs basis of imports	£27,000,000
Paid for imports	33,000,000
Duty collected	4,320,000
Should be	5,280,000
Loss of revenue	960,000

In the case of Japan, the same thing happened. The Customs basis of imports was £8,000,000, and we probably paid about £10,000,000 for them. The duty collected was £1,280,000 instead of £1,600,000, which ought to have been collected, so that we lost revenue to the extent of £320,000. In the case of Italy, the position is reversed. The Customs basis of imports was £508,100, whereas we probably paid for them only £290,000. The duty collected was £93,000, whereas it should have been £46,500, so that in that case we gained revenue to the extent of £46,500. Coming to the position in regard to France, we find that the Customs basis of imports was £1,600,000 and that we should have paid about £1,000,000. The duty collected was £256,000, whereas it should have been only £160,000, so that in this instance also we had a gain of revenue which amounted to £96,000. The totals of these figures show that in the case of America and Japan we suffered a loss of revenue amounting to £1,280,000. If we had collected the duties on the basis of what the people in this country had paid for the goods, and in accordance with the rates that Parliament had authorized, we should have received an additional £1,280,000 by way of Customs revenue.

Against that we gained £142,500 in respect of duties collected on imports from Italy and France, so that the net loss of revenue amounted to £1,137,500. I do not suggest that these figures can be absolutely accurate, but I urge that they are on a fair basis. I have only taken the same rates of duties upon imports that are shown in the official figures for the preceding year, while the rates of exchange are open to all to see. I have taken what I think is the fair average rate, and the figures probably represent very closely the actual loss that Australia experienced.

Mr. FENTON.—Does the honorable member place the same value on goods coming from several countries?

Mr. BRUCE.—I have taken the exact figures shown in the return. I do not appreciate the point of the honorable member's question.

Mr. FENTON.—Our imports from the United States greatly exceed those from France and Italy.

Mr. BRUCE.—I have given the actual figures.

The only other point to which I desire to refer relates to the basis on which duties have to be paid. Duties have to be paid, as honorable members are doubtless aware, on the home consumption value of the goods. The argument has been used that if an article costs 50 francs in France, regard should be had only to the franc, and that the cost anywhere else is immaterial. It seems to me that there is one consideration which proves that argument to be absolutely wrong. For reasons which I shall give, we cannot consider the franc alone, and what it represents in France. For instance, a woollen article purchased in France is composed of wool bought from Australia, and for which France has had to pay Australia in francs on the adverse basis of exchange to France. That being so, the wool costs the French manufacturers more, and when it comes here again in manufactured form surely they are entitled to be considered on the basis of what the value of the wool is in the currency of the country where it was originally bought.

Sir ROBERT BEST.—Take silk, for instance.

Mr. BRUCE.—We might illustrate the position by referring to silk and many

other materials. Whether the article has come from outside or has been manufactured entirely in France, its cost has been increased by things used in its manufacture and imported from other countries where the exchange is against France. Coal, for instance, has to be imported by France, and is one of the things in respect of which she has to pay on the adverse basis of exchange. The money that has been paid for that commodity is represented in the goods in the manufacture of which it has been used, and which are coming out of France. It is grossly unfair to say that France shall pay—as she is required to do—for the things she imports on the adverse basis of exchange, and that when those materials come out here in manufactured form we should collect Customs duty on a basis which once more tells against the French manufacturer, and practically makes it impossible for him to trade.

Mr. MATHEWS.—Australia loses both ways.

Mr. BRUCE.—That is so. I have endeavoured to clearly set out the position. The question is one of great importance since it is impossible for us to continue to keep up an artificial barrier which every day is preventing trade from flowing into its natural channels, and helping to regularize the general exchange conditions of the world.

Extension of time granted.

Mr. BRUCE.—The exchanges can never be regularized if we are going to create these artificial barriers. We can regulate them only by allowing trade to run along its natural channels—by allowing it to go to the countries which can handle it, and giving them the opportunity to regulate their own exchanges by the exports which are coming from those countries. Having spoken to people in nearly every trade in Australia, I can tell the House with confidence that it is impossible for Australia to place orders in Italy, France, or Belgium while the exchange position is as at present, and while our Customs duties are levied on the existing basis. This means the driving of more trade to America and Japan, and—ignoring every other consideration—if carried far enough will merely add to the loss of Customs revenue which is taking place to-day. We want more revenue; but what is still more important, we desire to make an effort to do

the fair thing. I cannot conceive of the present basis being regarded as equitable. This is a matter to which the House should give its very serious consideration. The House should insist on something being done. I understand that the Minister alone has the power to take action. Section 157 of the Customs Act of 1901 provides that—

Where the genuine invoice shows the value of the goods in any currency other than British currency, the equivalent value of the goods in British currency shall be ascertained according to a fair rate of exchange to be declared in case of doubt by the Minister.

I venture to say that we are not giving to-day the equivalent value of the goods in British currency. In many cases when we start to collect our Customs duties we are giving something like double or treble the value.

One other point which has been stressed and should be answered is that all these different countries have different values for goods. Because an article costs, say, so many francs in France it is suggested that that value is higher than the value of the same article somewhere else. Every day it is becoming more and more evident that the world is beginning to trade on the basis of what you can give in the equivalent exchange. A man who wishes to purchase certain goods asks whether he can buy them in France with her exchange or in America? Prices the world over are beginning to regulate themselves on that basis, and will be so regulated more and more as the demand for goods of which there is a shortage the world over is met, and ordinary trading competition comes about again in individual countries among their own merchants, and internationally between countries. This is a matter that requires very careful consideration if we are going to do the best for Australian consumers, and are to fulfil an obligation which I feel rests on us to give fair and equitable treatment to all nations; but, above all, to give such treatment to those nations which rendered us the greatest assistance during the war.

Mr. GREENE (Richmond—Minister for Trade and Customs) [3.21].—I am sure that the House heard with the utmost interest the speech of the honorable member for Flinders (Mr. Bruce), and I wish that it were possible, in the short time at my disposal this afternoon, to traverse the

whole case, and to put the position fully from another point of view. I cannot state the whole case, however, because, as I mentioned a little while ago, an action at law has been brought against the Department, and I cannot deal with the legal questions involved. It is an action which challenges the right of the Customs Department to claim duties on the basis about which the honorable member for Flinders has been talking.

Mr. TUDOR.—Not the Adelaide case?

Mr. GREENE.—No; a case brought in Queensland. It challenges the whole basis of our collection, and particularly the interpretation of section 157. The duty of the Minister is, of course, to see that the law is carried out by his officers; he has sworn to do that. The honorable member for Flinders has shown that if the Department were to adopt the practice which he asks us to adopt, it would get more revenue. We know that that is so, and it shows that in the action we are taking we are not reaching out after revenue, but are standing by principles which we think the law compels us to observe. If it were not for that, the position would be altogether different. If, as the honorable member has suggested, it were in the power of the Minister to alter the system, and we believed that the principles by which we stand enabled it to be altered, we might move in the direction suggested.

Mr. BRUCE.—If the Minister could not take action himself, he could have brought the question before Parliament.

Mr. GREENE.—That is another matter. Until the case to which I have alluded is settled, I do not think the law should be altered. We want to have the law determined, because, if the Customs Department is wrong, about £1,000,000 more of revenue will have to be collected, and the commercial community will have to pay it. If we have not collected this revenue, but should have collected it, the commercial community will be called upon to pay it. That, however, is not the question which I wish to discuss this afternoon. I believe that underlying the cases which the honorable member cited, and underlying practically all the illustrations that I have seen, there is a fundamental fallacy in the reference to £100 worth of goods, and not to the quantity of goods that £100 would buy. I think I shall be able to show that any fault rests, not with

Australia, but with the countries of origin. I have given a great deal of thought to this matter, and although I am putting the other side of the argument, I do not wish it to be understood that, once the case to which I have referred is out of the way, we must necessarily stand where we are. Feeling that, however accurate my officers may be, it would be well to have an independent authority who would give us a mathematically correct reply, I put a series of questions to the Commonwealth Statistician. I said to him—

Suppose goods are made in America, France, and England at the same price—

We take those three countries and say, “Your costs of manufacture are the same in each instance.”—

for example, £10 per unit, converting local cost at mintage rate of exchange in country of origin—

That is, we consider it fair to say that the manufacturing costs in each country are the same, converting the local costs in francs or dollars into sterling at the mintage rate of exchange—

and supposing the rates of duty in Australia are:—British, 30 per cent; foreign, 40 per cent. :—

(1) How many units would £1,000 land duty paid in Australia, not reckoning freight; duty being calculated at—

(a) mintage par rate of exchange;

(b) commercial rate, reckoning 50 francs to the £1 sterling, and 3.50 dollars.

At that time, the rate had risen to 3.50 dollars.

Conversion into sterling of bill as in (b). Show cost per unit to importers in both instances for each country.

I also said—

Supposing France and America had to buy their raw material outside their respective countries at the rates of exchange mentioned in (b)—

That is, the commercial rate—

and the value of the raw material in France or America represented 30 per cent. of the value of the finished product, as expressed in the home consumption value—

That is, of course, in francs or dollars, as the case may be, in the country of origin—

what effect would that have upon (a) and (b) above?

The honorable member for Flinders will admit that those are questions that we have to consider in dealing with a problem of this nature. The answers I received are summarized in the following statement, which shows the number of duty-paid £10 units purchasable by an Australian importer for £1,000, and the cost per unit, calculated on the data proposed in my questions:—

	Pre-War Basis.		Present Time.							
	(A)		All Home Material.				30 per cent. Material Imported from Britain.			
			(B)		(C)		(D)		(E)	
			No. of Units duty taken at Mint par.	Cost per Unit.	No. of Units duty taken at Current rate.	Cost per Unit.	No. of Units duty taken at Mint par.	Cost per Unit.	No. of Units duty taken at Current rate.	Cost per Unit.
U.K...	75.19	£10 + duty = £13.12	75.19	£10 + duty = £13.12	75.19	£10 + duty = £13.12	75.19	£10 + duty = £13.120	75.19	£10 + duty = £13.120
U.S.A.	69.44	£10 + duty = £14.80	54.79	£13.86 + duty = £18.25	50.10	£13.86 + duty = £19.96	59.71	£12.72 + duty = £16.75	54.59	£12.72 + duty = £18.32
France	69.44	£10 + duty = £14.80	105.83	£5.046 + duty = £9.449	137.61	£5.046 + duty = £7.266	81.75	£6.532 + duty = £12.232	106.31	£6.532 + duty = £9.406

(A) This represents the pre-war basis, and applies whether home or imported material used.

(B) This represents the position as it is at present.

(C) This represents the position if duty were collected at current rate of exchange.

(D) This represents position as it is at present—30 per cent. of British material being used in U.S.A. and France.

(E) This represents position if current exchange adopted, 30 per cent. of British material being used in U.S.A. and France.

That statement shows most unmistakably that countries with a depreciated rate of exchange can, if they so will, land in

other countries far more goods for the same money than can a country with the sterling rate of exchange at par; and

Mr. Greene.

the honorable member for Flinders, in his concluding remarks, certainly seems to me to bear that out. But what I am satisfied is happening in countries with a depreciated exchange is that, as the exchange depreciates, manufacturers raise the home-consumption price; all the time as the franc depreciates, the French manufacturer is raising his home-consumption price; and as the honorable member says, that is the basis on which we are calculating the duty. The peculiar position of the markets outside in the world to-day is such that the manufacturer finds that he can still ask the outside price that other countries are asking. I ask the honorable member which policy will sooner right the exchange—a policy of continually raising the home-consumption price, and keeping the French and Italian goods at the world's level, or taking advantage, as it were, of the depreciated exchange to send goods out at the depreciated rate of exchange.

Extension of time granted.

Mr. GREENE.—The point I wish to submit for the consideration of the House is that as the world's supplies become nearer normal, the countries with a depreciated exchange will be unable to get as ready a market for their goods as at the present time. Will they not take advantage of the depreciated rate of exchange to dump their goods wherever they like? I have shown clearly that what we are doing does not interfere with either the protective policy of the country or the preferential rate for Great Britain. I do not say they are doing it to-day, but those countries may take advantage of the depreciated rate of exchange to absolutely destroy not only the protective policy of this country, but also our preferential trade with Britain. France and those other countries find throughout the world a ready market for their goods at the prices they are charging to-day; and I venture to say the French manufacturers to-day, with the depreciated rate of exchange, are making fortunes, or ought to be.

Mr. BRUCE.—You take the £10 unit, and say it costs exactly the same amount to produce the article; then you say, "Now there is a chance for the French to keep on gradually increasing the home-consumption price, and to make fortunes." That is not so.

Mr. GREENE.—No. I said that, presuming the cost is the same in both countries, the country with the depreciated rate of exchange, notwithstanding the cost in that country, can dump goods in foreign countries. After all is said and done, the purchase of the bill of exchange is not a transaction directly between the buyer and seller of the goods. The purchase of the bill of exchange is a transaction which takes place between the seller of the goods and a third party; indeed, it is not even between the seller and the third party. What happens is that the maker or manufacturer takes this bill of exchange to his banker and gets the full face value, whatever it may be, in the currency of the country. The banker then proceeds to sell the bill of exchange to somebody else, to whom the purchaser finally pays the money. But does the fact of a third party intervening in a totally different transaction really affect the question I am arguing? I do not think so. I have here a very interesting calculation, showing exactly how the duties work out as between the various countries, but I do not wish to impose on the good nature of the House by reading it this afternoon. I hope to be able, a little later on, to put it in the possession of honorable members; and in the meantime I suggest that whatever we do at the present time it is most inadvisable, until the law is finally settled, and we know exactly where we are, to interfere or deal with this question at all. Whenever the question is dealt with, it must be in such a way that there will be no doubt whatever as to the maintenance of the protective principles of our Tariff and our preferential position with Great Britain. These must be secure, whatever any country with a depreciated exchange may finally determine to do when it finds itself in the position, as it will be some day or other, to dump goods on the rest of the world.

Sir ROBERT BEST (Kooyong) [3.43].—The question brought up by the honorable member for Flinders (Mr. Bruce) is very complicated, and one in regard to which the Customs Department has a grave responsibility. This is particularly so, in view of the fact mentioned by the honorable member, that the practice of the Department has resulted in giving a preference to America and Japan which was never

intended by this House or the Tariff. That view, like many others, in regard to this question, is open to challenge. There is one point in regard to which I completely differ from the Minister for Trade and Customs (Mr. Greene). The honorable gentleman pointed out that the law is doubtful as it at present exists, and that, consequently, a case has been brought for the purpose of ascertaining what is the proper interpretation. No legislation introduced here should be of a retrospective character, but it is quite possible to remedy difficulties we have discovered, without prejudice to the pending case, and it is clearly the duty of the Government to introduce a measure at once, so that in the future operations shall be on the basis that this House intended.

Mr. MATHEWS.—Would you do that when a case is *sub judice*?

Sir ROBERT BEST.—I do not propose to interfere with any case at present pending, which case will be decided according to the law in force at the time the action was instituted. But there are reasonable doubts as to what the law is; and we have a right to see that what Parliament intended is in the future carried out by clear enactment, with a view to doing justice all round. I impress that view on the Minister for Trade and Customs, because it is important. There are two sides to this question, and no matter from which side it is approached there is going to be considerable complaint, and, possibly, some injustice. I emphasize again that the operation of the Tariff should not give a preference to America and Japan, and if it does, it should be at once stopped. Even from a revenue stand-point, if a substantial preference in trade to the extent, roughly estimated, of £1,137,000, is given to those countries, it is very serious, and the more so when it is against British and local goods; we cannot afford to overlook this, or wait for an indefinite period for a remedy.

Mr. GREENE.—I think I can show you that that is not the case, though it may apparently be so.

Sir ROBERT BEST.—I am only stating what is said to be the actual operation as I see it. This may continue for a considerable time to come, and a distinct line should be drawn. We should not attempt to alter the law so as to

interfere with the rights which existed on the part of the subject when the case was instituted.

Mr. GREENE.—No one has suggested that that should be done.

Sir ROBERT BEST.—It could be done by Act of Parliament.

Mr. GREENE.—No one has suggested it.

Sir ROBERT BEST.—I should hope not. However, I am greatly concerned for the future. The responsibility is cast on the House and the Minister to see that our protective policy, as defined by Parliament and embodied in the Tariff, is carried out. We have to see that our industries are not permitted to suffer, but shall have the percentage of protection which Parliament decided. We are interested also in seeing that the British manufacturer shall have the preference Parliament gave him. These are fundamental features, and for anything that tends to the contrary at present we must find an immediate remedy.

Mr. MATHEWS.—Does the honorable member not think that duty is charged on the exchange as well as on the goods?

Sir ROBERT BEST.—I speak subject to correction, but I think the practice of the Department is to take the sterling value, say the price paid by a British purchaser of goods in France. These goods are brought here, and the first calculation is as to the commercial exchange value of, say, £50 paid for goods. It is ascertained that there are 50 francs to the £1; fifty times fifty is first calculated. That is then divided by the mintage par value, and upon the value thus ascertained duty is charged. I shall give an illustration of how the operation of this system contended for by the importer proves serious: An Englishman goes to France and purchases £50 worth of goods. He gets goods equivalent to the commercial exchange value of £50 sterling in France; the goods are sent to Australia and duty is paid upon them. Then he goes to England and buys another £50 worth of goods. There he gets only sterling value, but the total amount of duty paid on those goods is precisely the same as the total amount of duty paid on the greater quantity of goods which he purchased in France. The effect is that he gets double the quantity of goods from France that he can purchase in Great Britain for the same amount of money.

Mr. BRUCE.—He does not get double the quantity of goods.

Sir ROBERT BEST.—Practically he does. When the French and British goods arrive in Australia they are probably assessed at the same market value.

Mr. BRUCE.—In France the purchaser will get only about the same quantity of goods for his £50 as he will get in England.

Sir ROBERT BEST.—Whilst I defer to the honorable member's commercial knowledge I am informed by the representatives of British manufacturers that in certain lines the purchaser will get for £50 in France practically double the quantity of goods he can purchase in Great Britain for that amount of money.

Mr. GREENE.—That is true in regard to those articles of which France has a big surplus, and it will be true of all goods when France is producing sufficient of them.

Sir ROBERT BEST.—Of course, I am putting the case in reference to certain goods. I do not suggest that the argument applies to all lines of goods. The effect of this system is to practically reduce by half the protective duty which Parliament has imposed, and to destroy the preference which Parliament intended to be given to the British manufacturer.

Mr. BRUCE.—A man can buy in France and sell to his agent in London without any trouble at all, and then the goods are shipped to Australia as of British origin.

Sir ROBERT BEST.—There is no doubt that that is taking place, and the British Board of Trade has in certain circumstances endeavoured to protect the country against such practices by the institution of a licence fee on all importations from countries which have a depreciated exchange. We all have the utmost sympathy for France, Belgium and Italy. It may be that we are showing our feelings in a strange way, but, after all, this matter must be looked at from a purely business stand-point. France itself has prohibited the importation of all goods which are calculated to injure in any way its own manufactures.

Mr. GREENE.—The list of prohibitions is very large and comprehensive.

Sir ROBERT BEST.—That is so, and, therefore, I say that this matter must be dealt with solely as a matter of business. On the other hand, we cannot escape the argument put forward by the honorable member for Flinders (Mr.

Bruce) in regard to the preference which is unintentionally and unreasonably being given to America and Japan. It is the urgent duty of the Government to correct this state of affairs, as far as it exists and can be corrected by legislation, in order to protect our industries, and to give that preference to the Mother Country which Parliament intended.

Mr. GREENE.—But we must be quite sure of the facts before we act.

Sir ROBERT BEST.—These facts are rather obvious.

Mr. GREENE.—I think it can be shown that the position is different from what the honorable member has represented, when regard is had to the rates of exchange, adverse in the case of some countries and favorable in the case of others.

Sir ROBERT BEST.—It is the duty of the Government to introduce legislation upon the subject now, because we are doing injustice all round, and the will of Parliament is not being carried out.

Mr. MATHEWS.—If a man buys £100 worth of goods in the United States of America, and the rate of exchange is 22 per cent., does not he pay duty on £122?

Sir ROBERT BEST.—No; the mintage par value is ascertained, and duty is paid on approximately only £80. In the circumstances, there is ground for the complaint made by the honorable member for Flinders (Mr. Bruce), and for further complaint on the part of local and British manufacturers. This unsatisfactory state of affairs should be immediately remedied by legislation.

Mr. TUDOR (Yarra) [3.58].—I wish to put before the House a phase of the question which has been brought under my notice by certain manufacturers. They complain that if they purchase silk in France for the manufacture of ties they have to pay an excess rate of duty owing to adverse exchange; but when the same silk is sent to England the British manufacturers are able to export the finished tie at a price practically as low as the Australian manufacturer is paying for the silk.

Mr. BRUCE.—The British importer could export the silk before it was made up.

Mr. TUDOR.—Yes; provided the silk had been imported into England. I know the difficulties which confront the Customs Department, and I would be

loath to do anything that would place the Department in a false position. But we must act fairly. These manufacturers recently sent the following cable to London:—

We are urgently in need of 1471, one thousand yards. Does Great Britain impose tax or any impost whatever on any French, Italian silk entering England? Reply immediately.

The reply was—

Referring to your cable of the 3rd instant, silk enters England free.

I have another letter from a firm interested in the importation of motor cars, in regard to the Customs method of assessing foreign invoices in the case of a car costing £300 in each of three countries—England, America, and Italy.

MR. GREENE.—That is its sterling value. The equivalent of £300 in Italy is £304.

MR. TUDOR.—I have all that information here. We are losing revenue through giving America the advantage of estimating the exchange at 3.85 dollars to the £1. I am reminded, in passing, that the French manufacturer buys Australian wool, and pays for it, not at the rate of 25 francs to the £1, but at 50 francs to the £1. When the manufactured article is returned to Australia, however, and the value is reconverted at current rates of exchange, it has to pay an extra heavy duty. Reverting to motor cars, if a machine worth £300 sterling were imported from England, and the duty were assessed at 10 per cent. on the value in the country of origin, the duty would be £33; on the car from America the duty, at 20 per cent., would be £66; and on the car from Italy, at 20 per cent., £66. But assessed at the conversion rate the duty payable on the English car is £33; on the American car, £52 5s. 8d.; and on the Italian car, £204 0s. 10d. America gets an advantage of £13 14s. 4d., or 21 per cent., whilst Italy is disadvantaged to the extent of £138 0s. 10d., or 209 per cent.

MR. GREENE.—The whole trouble is that the honorable member is dealing with three entirely different cars. If exchange were normal, those cars would be sold at three different prices.

MR. TUDOR.—I think I may claim to know as much about motor cars as does the Minister. When I was in charge of

the Département I had the pleasure of sending one importer to gaol, and I am sorry I was not able to take the same course with others. But I have always found the gentleman who supplied me with this information straightforward.

MR. GREENE.—I am not impugning the accuracy of the statement; but when the honorable member talks about a £300 car bought in three different countries, one with exchange at par, the other with an adverse exchange, and the third with a favorable exchange, he is endeavouring to make an impossible comparison.

MR. TUDOR.—I would not do anything to make an enemy of America. The fact that the same ocean washes the shores of Australia and the United States of America compels us to cultivate friendly relationship with the American people. If we were to assess duty on imports from America at an exchange rate of 4.80 dollars to the £1, instead of 3.86 dollars, we would get a lot more revenue. But by the present system we are depriving Great Britain of the 10 per cent. preference which Parliament intended to give. I realize that the discussion that has taken place this afternoon will not carry us much further forward. The honorable member for Flinders (Mr. Bruce) was certainly quite justified in raising the question, since it affects our business dealings in regard not only to silks and woollens, but motor cars and many other imports. For instance, monumental masons insist upon using Carrara marble from Italy. It is a clear, white marble, the like of which is practically unobtainable elsewhere; and if it were first shipped to England and brought here as coming from England, the English agents would reap an advantage which ought to go to the persons working it up in this country. There are many phases of this question which have not been raised, but we have to take care that we do not inflict an injustice—

MR. BRUCE.—Does not the honorable member think that a definite decision, whatever it may be, should be given at once?

MR. TUDOR.—I do not think that the pending law-suit will carry us much further forward, since it will merely determine what is the law on the subject, and the law on the subject may not give

justice to the whole of the people concerned.

Mr. GREGORY (Dampier) [4.7].—This question has now been under consideration of the Minister for some time, and the mere fact that litigation in regard to the legality of the action of the Department is pending should not operate as an excuse for further delay in coming to a decision. If our taxation in respect of imports from certain countries tells against those countries as compared with others, then I believe the Minister should, at the earliest possible moment, bring down remedial legislation. When the French Mission visited Australia a little while back, they were met by the representative people of the Commonwealth, and the promise was made that we would do everything within our means to build up trade relations with the French, who had fought so nobly with us. The Customs Department, however, is being administered, so far as this matter is concerned, in a way that does not carry out the promises that were then made. We should provide for fair trade with France, Italy, and Belgium; but I find that we are giving a most decided preference to Japan and the United States. I have here a list—taken out in June last, and allowing for the exchange rates prevailing at that period—which shows that, assuming that the duty payable on certain goods coming from France, Italy, the United States and Japan, was 50 per cent., the duty actually payable on goods imported from France, owing to the exchange being so much against that country, would be 138 per cent. In the case of goods coming from Italy, it would be 167 per cent.; only 39 per cent. in respect of goods coming from the United States of America, and 40 per cent. in the case of Japanese goods. I am satisfied that it was not the intention of this Parliament that such an advantage should be given to the United States of America and Japan, as against Italy, Belgium, and France.

Mr. GREENE.—The honorable member's figures are on the assumption that in each case we get the same quantity of goods for £100.

Mr. GREGORY.—Let us assume that a citizen of the Commonwealth desires to purchase an Italian motor car at a cost of £200. He sends his £200 to Italy, and

that in Italian exchange would be 17,000 lire. His bank would exchange that £200 for 17,000 lire, and when his car reached Australia the Minister, according to the present practice, would say to him, "This car cost you not £200, but 17,000 lire, or, approximately, £670, and we will charge you duty on that amount."

Mr. GREENE.—What would be the cost in England of a similar car of English manufacture?

Mr. GREGORY.—I assume that it would be something like £200.

Mr. GREENE.—That is where the honorable member is in error.

Mr. GREGORY.—When the Minister decided to collect duty, not on the £200 paid for the Italian car, but on the 17,000 lire, would he accept payment in lire?

Mr. GREENE.—The duty has to be paid in the currency of the country in which it is payable.

Mr. GREGORY.—The whole system, to my mind, is fictitious. I am convinced that honorable members will not be content to allow imports from countries which fought with us throughout the war to labour under this disadvantage. I have not one word to say against the United States of America or Japan. If the preference were small, the position would be different, but the figures given this afternoon by the honorable member for Flinders (Mr. Bruce) also show that we are suffering an enormous loss by way of Customs revenue, and I fail to see why any advantage should be given to the United States of America and Japan, as against France, Italy, and Belgium.

I hope that there will be no further delay on the part of the Minister in dealing with this question. Over two months have elapsed since he promised to attend to it, and to come to a definite decision. If the honorable gentleman desires to continue this system of collecting duties, then the sooner the whole question is brought before the House in a way that will enable us to come to a determination the better for all concerned.

Mr. BRUCE.—The Prime Minister (Mr. Hughes) promised on the 20th May last that the matter would be dealt with.

Mr. GREGORY.—We have had several promises. Any legislation that might be brought in to meet the difficulty would not be retrospective. No one would expect anything of the kind, and

any proceedings that have been instituted against the Department will be dealt with on the basis of the law as it stands. That being so, if the Minister says he is satisfied with the present method, I think the House should take action to show its disapproval of undue preference being given to the United States of America and Japan, as against the other countries I have mentioned. I sincerely hope that the Minister in the very near future will announce a drastic change.

Mr. FENTON (Maribyrnóng) [4.15].—We are making a mistake this afternoon in confining our attention to exceptional cases. If any concessions are granted to countries in respect of which the exchange rates are operating adversely, all sorts of demands will be made upon the Department, and many alterations in the present system will be necessary. I am not going into the merits of this case, but I certainly think the Minister for Trade and Customs (Mr. Greene) has made an exceptionally fair proposal. He has intimated that there is now pending in the Law Courts a case involving the determination of a question closely allied to that which has been brought before us by the honorable member for Flinders, and that being so, he ought not to be asked to take immediate action. He should not be asked to come to a decision which might influence the Court. There are two sides to this case. I am always prepared to make an effort to remedy that which is unfair, but I have yet to learn of any legislation passed by this, or any other Parliament, under which an injustice has not been suffered by some person or persons in the community. We cannot legislate to meet special cases. The United States of America is a country so nearly akin to our own so far as the habits and aspirations of its people are concerned, that if any preference were to be granted, I should give it to goods coming from that country rather than to imports from France, Italy, and Belgium, where some of the working conditions are very different from our own. Are we to expose our industries to such competition? My motto is, "Australia first, and a long way first." After we have done our best for Australia, let us do our best for other countries which, in their aspirations, their social and wages conditions, most closely approximate to our own.

As showing how some writers view this matter, I quote the following paragraph:—

If the method of calculating duty were altered in the way desired by the importers, one of the most serious and insidious attacks upon our Protective Tariff would be crowned with success. The Australian manufacturer would be exposed to undercutting by foreign manufacturers, and Australian development would be retarded for the benefit of the foreigner, who is concerned only with the restoration of his own trade, and is not in the least interested in the progress of Australia.

Sir ROBERT BEST.—From what is the honorable member quoting?

Mr. FENTON.—From the *Australian Mining Standard*, some of the contributors to which have a grip of exchange and Customs questions equal to that of any honorable member of this House. I hope that the Minister will adhere to his present decision. A writ has been issued against the Department, and we should do nothing that might in any way influence the decision of the Court. The Minister has promised that when, so to speak, the clouds have rolled away, this House will have an opportunity to review the whole question, and to arrive at a decision in regard to it.

Mr. BRUCE.—May there not be a further banking up of the clouds, with the result that the system complained of will go on indefinitely?

Mr. FENTON.—The position is not very serious, because the figures quoted by the honorable member himself show that our imports from France and Italy are comparatively small. Unless we are prepared, as the true protectors of Australian industry, to raise our Tariff sufficiently high, America will export to Australia more largely than she has ever done. She is making her plans accordingly, and, starting off with this advantage as against Italy, France, and Belgium, she is in a better position than ever to increase her exports to this country. To-day the English-speaking races are more closely in touch than ever before in their history, and if to keep them so preference must be given against Italy, France, or Belgium, it should, in my opinion, be given. I think that the Minister has been fair. I cannot conceive of Parliament being asked to discuss a question that is to all intents and purposes before the Courts.

• **Mr. MATHEWS** (Melbourne Ports) [4.21].—None of the speakers this afternoon have addressed themselves sufficiently to the situation as it concerns importations from the United States of America. We are told by the honorable member for Flinders (Mr. Bruce) that we lose over £1,000,000 of revenue in connexion with these importations, and I wish to know how the Customs Department bases its charges and collections on American imports. I followed the Minister's statement regarding the £10 units, and agreed with his deductions. But suppose I bought a £500 motor car in the United States with a view to putting it on this market at a certain price, I should have to pay another £100 by way of exchange.

Mr. GREENE.—Rather more than that.

Mr. MATHEWS.—About 22 per cent., I understand. I wish to know why the Department would not charge duty in respect of the importation of such a car on a valuation of £610, which is actually what I would have to pay. If I bought a £500 car in Great Britain, the sum I paid for it would represent its total cost to me, putting aside freight and similar charges; but if I imported a car of the same value from France, it would cost me only £250, while if I went to America for it, it would cost me over £600, and I ought to be called on to pay duty on that amount. If the Government is not collecting duty on the actual cost of the goods imported, and if the law will not allow it to do so, there is something wrong. In discussing this question, we are verging upon the discussion of a matter which is *sub judice*; but on this occasion, it suits the Government to allow the debate to continue; if the decision that was given in regard to the discussion of another matter, in connexion with which the name of a certain reverend gentleman was mentioned, were given effect, we could not continue the debate. I agree with the honorable member for Flinders (Mr. Bruce) that the people of this country are being robbed when duty is not collected on the full cost of the article imported. If duty is not charged on the cost of an article purchased from the United States of America plus exchange, the Department ought not to penalize importers from France by its exchange calculations. The present arrangement seems unjust to the people of Australia, in causing them to lose

revenue; and unjust to the importers from France, Belgium, and Italy.

Question resolved in the negative.

COMMERCIAL AVIATION.

REPORT ON AIR CURRENTS, ETC.

Mr. MACKAY (for **Mr. MARKS**) asked the Prime Minister, *upon notice*—

1. Whether, in view of the great flight to Australia of Sir Ross and Sir Keith Smith and Lieutenants Parer and Macintosh, the Government will seize this opportunity of acquiring valuable data as to air currents, &c., &c., by asking those gallant airmen to make a report thereon for use by the Commonwealth when considering the question of aerial mails to the Northern Territory and countries to the northward of Australia?

2. In view of the great strides recently made in Australia in commercial aviation, will he make a statement as to what encouragement the Government are likely to give to this important branch of aviation, having in mind its important bearing on the question of defence?

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follow:—

1. I am sure that these gentlemen will be readily disposed to make available the data they have secured as a contribution to the progress of Australia's aviation, in which they have been taking such a distinguished part.

2. The Government realize that the development of civil aviation has an important relation to air defence, and proposals in regard to this will shortly be submitted to Parliament. Meanwhile, the Minister for Defence is engaged in an examination of the extent to which the Commonwealth will be associated with the organization of these activities with a view to ascertaining the lines upon which action might proceed, and the field which would be left to State, municipal, or private exploitation. A further preliminary step is the assumption by the Commonwealth of the responsibility for the regulation of air traffic. With the agreement of the Premiers of the States, a Federal Bill is now being drafted for submission this session.

SCRAP STEEL AND IRON.

Mr. GREGORY asked the Prime Minister, *upon notice*—

1. In connexion with the embargo on the export of scrap steel and iron from Western Australia, what action is taken by the Government to insure that the owners of such scrap steel shall receive fair and equitable prices for the goods?

2. Is there a buyer for such goods in Western Australia at the present time?

3. If so, who is he, or what is the name of the company?

4. If there is no buyer at equitable prices in Western Australia, will the Government remove the embargo forthwith?

Sir JOSEPH COOK.—I would invite the honorable member's attention to the statement made by the Prime Minister in the House on 20th May, 1920. If any owner of scrap iron or steel, being dissatisfied with the prices offering by local users, forwards full particulars to the Government, the matter will receive full consideration.

WOLFRAM.

Mr. RILEY (for Mr. McDONALD) asked the Prime Minister, *upon notice*—

1. With reference to the exportation of wolfram, will the Prime Minister state whether the demands of the Metal Exchange have been satisfied in this connexion?

2. Are producers of wolfram allowed to dispose of their metal to foreign countries?

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follow:—

1. The honorable member, perhaps, refers to the arrangement made by the Imperial Government with the Commonwealth Government for the acquisition of the Australian production of wolfram. The Metal Exchange had nothing to do with the arrangement, which came to an end on 31st March, 1920.

2. Yes, except to enemy and ex-enemy countries.

CASE OF CADET C. G. HUCKELL.

Mr. RILEY (for Mr. CONSIDINE) asked the Minister representing the Minister for Defence, *upon notice*—

1. Whether the lad, Clement George Huckell, who was sentenced to fourteen days' imprisonment on one charge, and seven days on another charge, for breaches of the compulsory military service sections of the Defence Act, on 26th March, 1920, and who was released from military custody upon serving fourteen days, was released upon instructions from the Minister or some subordinate official?

2. Is it a fact that this lad was re-arrested on the 13th inst. and conveyed to Fort Largs, South Australia?

3. Had the lad been called upon to return to his former custody in accordance with the provisions of the Defence Act?

Mr. LAIRD SMITH.—There is no information at Head-Quarters in regard to this matter. Inquiries will be made, and a reply will be furnished to the honorable member as soon as possible.

REVEREND J. B. RONALD.

Mr. BAMFORD asked the Attorney-General, *upon notice*—

1. Has he had any communication from His Excellency the Governor-General, or from any

other person, in regard to a matter concerning the Reverend J. B. Ronald?

2. If so, will he inform the House of the nature of such communication?

3. If so, is it the intention of the Minister to take any action in connexion with such communication?

4. Does the Minister purpose doing anything whatever in the direction of giving relief to Mr. Ronald, who, it is stated, has suffered an injustice, and who asks that consideration be given to his claim that justice be done in his case?

Mr. GROOM.—A despatch has been received from the Secretary of State for the Colonies, forwarding a petition from the Reverend J. B. Ronald, concerning the restitution of his good name, which he states he has lost as a result of various judicial proceedings in Australia. I have also received a communication from Mr. Ronald on the subject. The matter being purely a State one, the petition and correspondence received from Mr. Ronald have been referred to the Government of Victoria, which has advised that the matter is receiving careful consideration.

BARRIER POSTAL OFFICIALS.

Mr. GABB (for Mr. CONSIDINE) asked the Postmaster-General, *upon notice*—

1. Whether any reduction in the salaries paid to officials in charge of post-offices in the Barrier electorate is contemplated, or has it taken place within the last few weeks?

2. If so, will the Minister state the reason for such reduction or contemplated reduction?

Mr. WISE.—Inquiries are being made, and replies will be furnished as early as possible.

INVENTIONS BOARD.

Mr. GABB (for Mr. CONSIDINE) asked the Prime Minister, *upon notice*—

1. Whether there is in existence in the Commonwealth an Invention Board which deals with Australian inventions?

2. If so, does the Board, by subsidy or other material assistance, assist impecunious inventors to develop their devices in the public interest?

Sir JOSEPH COOK.—A Commonwealth Board to deal generally with the question of Australian inventions does not exist, but there are Invention Boards, or "Suggestion Boards," in individual Commonwealth Departments, the operations of which are confined to inventions and ideas affecting their respective Departments.

MARGARINE.

Mr. STORY (for Mr. Higgs) asked the Minister for Trade and Customs, *upon notice*—

1. Whether the Commonwealth Board of Trade recommend that the regulation forbidding colouring matter in margarine for export shall be withdrawn?

2. What are the intentions of the Government in regard to this matter?

Mr. GREENE.—The answers to the honorable member's questions are as follows:—

1. Yes.

2. It is not the intention of the Government to make any alteration at present, but the matter is under consideration.

SOLDIERS' DEPENDANTS.

CANCELLATION OF PASSAGES.

Mr. MACKAY asked the Minister representing the Minister for Repatriation, *upon notice*—

1. Whether it is a fact that a large number of passages of the dependants of soldiers have recently been cancelled by the Repatriation Commission in London?

2. Will the Minister direct that careful inquiries should be made into all the circumstances before this privilege is cancelled?

Mr. POYNTON.—The Commission advises as follows:—

1. No. Recently, however, it came under notice that in some instances dependants of soldiers who had been granted free passages to the Commonwealth, and who, when called upon after reasonable notification to embark, failed to do so without taking the necessary steps to advise the authorities of their inability to proceed, with the result that the cost of the empty berths so caused must be borne by the Commonwealth. The Commission decided that, where the Commonwealth is called upon to meet the cost of the passages unavailled of under such circumstances, the benefit, as far as the persons affected were concerned, should be deemed to have been forfeited.

2. In view of answer to question No. 1, this action is not considered necessary.

RAIN STIMULATION EXPERIMENTS.

Mr. RILEY (for Dr. MALONEY) asked the Minister for Works and Railways, *upon notice*—

1. In view of the great expense upon an unknown subject, will the Government stop all further expenditure of money until Mr. Balsillie's plans are placed before the Depart-

ment of Science and Industry for it to decide if such plans are worthy of further experiment?

2. If by fortuitous circumstances Mr. Balsillie hits on any invention, will such invention be the property of the Federal Government?

Mr. GROOM.—The answers to the honorable member's questions are as follows:—

1. The suggestion made was considered by me some time ago in consultation with Mr. Balsillie, and approved of. It has been arranged for the Department of Science and Industry, when established, to advise as to continuance of the experiments.

2. I have already explained that the invention was patented some time ago by Mr. Balsillie in most countries of the world. Mr. Balsillie agreed that the Government should have the use in Australia of the patent free of royalty.

PUBLIC SERVICE RETIRING AGE.

Mr. MACKAY (for Mr. JACKSON) asked the Prime Minister, *upon notice*—

In view of the fact that the retiring age in the Commonwealth Service is sixty-five years, and is costing certain Departments the loss of competent officials who are physically fit, will the Cabinet consider the proposal to have such officers examined by a Medical Board, with a view to their retention for yearly periods?

Sir JOSEPH COOK.—Officers retire, without exception, upon reaching the age of sixty-five years, and any departure from this rule would not be in the interests of the efficiency of the Public Service, or of its members as a whole.

RETURNED SOLDIERS.

REFUSAL OF LOAN.

Mr. MACKAY asked the Minister representing the Minister for Repatriation, *upon notice*—

1. Whether the Minister is aware that returned soldier applicants who desire to purchase or improve land of freehold tenure have been refused a loan by the Soldiers' Land Settlement Board in Queensland?

2. Will the Minister endeavour to induce the Government of Queensland to adopt a more generous policy with regard to soldier land settlers who disapprove of leasehold tenure, and who are debarred from the privileges obtainable in other States of the Commonwealth?

Mr. POYNTON.—I have no definite information on this point, but will communicate with the Queensland Government in reference thereto.

AUSTRALIAN NOTES.

Mr. LAZZARINI asked the Treasurer, upon notice—

1. Whether the Australian note for any amount is legal tender within the Commonwealth?

2. If so, by what means has it become legal tender?

Sir JOSEPH COOK.—The answers to the honorable member's questions are as follow:—

1. Australian notes are legal tender throughout the Commonwealth and all Territories under the control of the Commonwealth.

2. Under the provisions of section 6 of the Australian Notes Act 1910.

NORTHERN TERRITORY
ADMINISTRATION.

CATTLE SUPPLIED TO MRS. PERREAU.

Mr. GABB (for Mr. BRENNAN) asked the Minister for Home and Territories, upon notice—

Will he make available for perusal the file of departmental papers which includes the contract and other documents relating to the supply of cattle by the recent Administrator of the Northern Territory to one Mrs. Perreau, which contract was referred to before Mr. Justice Ewing on the Northern Territory Commission?

Mr. POYNTON.—As legal proceedings in this matter are pending, and the papers are with the Crown Solicitor, it is not possible at this stage to comply with the honorable member's wishes.

BUTTER AGREEMENT BILL.

SECOND READING.

Debate resumed from 18th August (*vide* page 3620), on motion by Mr. GREENE—

That this Bill be now read a second time.

Mr. PARKER MOLONEY (Hume) [4.35].—I see no reason to modify anything I said last evening with regard to the Bill. So far as I can see, it is a Bill to limit the price of butter sold overseas, and not a Bill to ratify an agreement in the true sense of the word. We must, therefore, look at it from the point of view of its effect, which is that no producer will be able to send butter out of this country except through this Pool. This means that the producers will not get a price in excess of 240s. per cwt.; and if, during the period that this agreement lasts, the

world's parity for butter goes up to, say, 300s., that will represent a loss of 60s. per cwt. to the dairy people of this country.

Mr. GREENE.—Suppose it goes the other way.

Mr. PARKER MOLONEY.—It is not likely to go the other way; I cannot conceive of that for a moment, seeing that the price is on the upward grade. Of course, if it does go the other way, it will work to the advantage of the primary producer; but we can say, with a great deal of certainty, that it will not.

I am quite consistent in the attitude I am taking in regard to the Bill because I objected to the agreements made on behalf of the primary producer in the case of wool and wheat. I cannot understand honorable members who claim to be a Country party having so little to say against transactions of this kind.

Mr. ROBERT COOK.—This is not a sale by the Government, but by the producers themselves, who ought to be anxious to ratify it.

Mr. PARKER MOLONEY.—I deny that the producers, or the men engaged in the industry, know very much about the sale. Last evening I gave the names of some people concerned, including that of Mr. J. W. Sandford, chairman of directors of J. W. Sandford and Company, merchandise and produce auctioneers, dairy machinery and refrigerating engineers, of Grenfell-street, Adelaide, Port Adelaide, and Mount Gambier.

Mr. HILL.—Does he not own one of the biggest butter factories in South Australia?

Mr. PARKER MOLONEY.—Even if he owned all South Australia, he is the managing director of this company, the interest of which he is there to watch and advance. The honorable member for Indi (Mr. Robert Cook) told us a little while ago that he himself is chairman of a number of co-operative societies, and he ought to know that Mr. Sandford would cast him and all his co-operative concerns into the Murray if he had his way. I venture to say that the honorable member was sent here to oppose such gentlemen as this Mr. Sandford, whom we now find supposedly representing the interests of the primary producers of this country but, in reality,

is the representative of the middlemen. The interests of the company to which I have referred are diametrically opposed to those of every man whose butter will go into this Pool.

Sir JOSEPH COOK.—Does the honorable member complain that 2s. 3d. per lb. is not enough for the Australian worker to pay for his butter?

Mr. PARKER MOLONEY.—We are not discussing that aspect of the question.

Sir JOSEPH COOK.—But that is the question.

Mr. PARKER MOLONEY.—It is not; we are talking about the price that the butter-makers of Australia will get overseas; and I emphasize the point that if the world's parity should exceed 240s., and go to 300s., they will be losing 60s. per cwt.

Mr. MARR.—If we do not ratify this agreement, will it not have the effect of at once lowering the price of butter?

Mr. PARKER MOLONEY.—I do not see that at all. However, I can only say that, notwithstanding what the honorable member for Indi says, he was sent here to oppose such men as Mr. Sandford, and those associated with him, as middlemen. The members of the Country party cannot support this measure without the impression being created on their constituents that they have "slipped" since last election. The Minister for Trade and Customs has admitted that there are four middlemen on this Committee. The party to which I belong regard the middleman as the natural enemy of the primary producers, and we cannot support any agreement in which such gentlemen are interested. I wish the Treasurer (Sir Joseph Cook) had been here last night when I exhibited a cartoon from the *Bulletin*, showing the Country party, in the form of a toy lamb, being led along by the Prime Minister, while the Treasurer regarded them with a happy look. The cartoon somewhat flatters the Treasurer, and I think he ought to see it. One honorable member of the Country party said that he supports the Bill because it assures a higher price for butter than the producers previously obtained. That same argument was used when the price of wool was fixed at 1s. 3½d., but that was not the point then, and it is not the point now. Although that price for the wool was higher than the previous

price, there were producers in other parts of the world receiving three or four times as much.

Mr. FLEMING.—The genuine wool-growers were all satisfied.

Mr. PARKER MOLONEY.—I challenge that statement every time. I represent as many wool-growers as does the honorable member, and I do not know any who were satisfied. Then, in regard to the agreement with the Colonial Combining and Spinning Company, even the Central Wool Committee objected to it.

Mr. FLEMING.—After themselves making it!

Mr. PARKER MOLONEY.—I am not concerned about who made the agreement; I am speaking of the general bulk of the growers, and showing that even the Central Committee objects. If the Central Committee did agree to the arrangement, it only further supports my argument that it did not represent the matured opinion of the producers of the country. If high profits were made by this company, and they are now burdensome to anybody, they ought to go to the men on the land, who had all the worry and trouble of production.

Mr. ROBERT COOK.—I understood the Prime Minister to say that 80 per cent. of the profits would go to the wool-grower.

Mr. PARKER MOLONEY.—The Prime Minister did not say any such thing; he said definitely that the profits belonged to the Government.

Mr. AUSTIN CHAPMAN.—I understand there is a similar arrangement to be made in reference to butter if the price goes up.

Mr. PARKER MOLONEY.—I have heard it hinted that if the world's parity goes beyond 240s., the producers will get the benefit, and I should like to know whether that is true. The fact is, that if the world's parity does go higher—

Mr. AUSTIN CHAPMAN.—Of course it will!

Mr. PARKER MOLONEY.—I agree that all the indications are in that direction, and if it does go higher it will represent so much loss to the producers if some arrangement is not made.

Mr. GREENE.—Has the honorable member any objection to the Australian consumer paying the export parity whenever the export price goes up?

Mr. PARKER MOLONEY.—That has nothing to do with the matter.

Mr. GREENE.—Will you do me the courtesy of answering the question?

Mr. PARKER MOLONEY.—We are dealing with the exportable surplus of our butter, and not with the industry as it concerns the consumers of Australia. I am consistent in my attitude because I have raised previously my voice against the contracts entered into by the Prime Minister for the sales of wool and wheat. The ex-Treasurer (Mr. Watt) went to England, to use his own words, to pick up the lost ends of the wool tangle, and my impression is that he discovered so much about the wool tangle that we shall get some interesting revelations when he returns. I venture to say that the Prime Minister (Mr. Hughes) does not wish to meet his ex-colleague, and that a little game of hide-and-seek will be played. The Prime Minister intends to leave for Geneva shortly, and probably he will pass the ex-Treasurer on his way out to Australia. Having known the honorable member for Balaclava (Mr. Watt) in both State and Federal politics, I am confident that all the cards in connexion with the sales of produce overseas are not on the table; he has "a lot up his sleeve," and we shall find out a great deal more in regard to those sales when he returns to Australia.

Mr. GREENE.—I hope the honorable member is not forgetting that the honorable member for Balaclava (Mr. Watt) was the man who made the last wool sale on behalf of Australia.

Mr. PARKER MOLONEY.—That was stated, but later I saw a denial of it by the Prime Minister.

Mr. GREENE.—I challenge the honorable member to find any such denial by the Prime Minister.

Mr. PARKER MOLONEY.—I remind the Minister of the time when the Prime Minister stated that the last wool sale agreement had been made behind his back, and that if he had been in Australia he would not have agreed to it. Later the Prime Minister said that he alone was responsible for the sale.

Mr. GREENE.—That is not a denial that the wool was sold by Mr. Watt.

Mr. PARKER MOLONEY.—The statement that the wool was sold by Mr. Watt was subsequently denied by the Prime Minister.

Mr. AUSTIN CHAPMAN.—There will be "something doing" when the ex-Treasurer returns.

Mr. PARKER MOLONEY.—I am convinced of that because I know him. but the evil day is to be postponed by the Prime Minister as long as possible.

Mr. HILL.—Would the honorable member place an embargo on the export of the Prime Minister pending the arrival of the ex-Treasurer?

Mr. PARKER MOLONEY.—I would. I have been asked if I would deport him altogether. My answer is "Not without trial," much as I would like to see him deported. I move—

That all the words after the word "now" be omitted, with a view to insert in lieu thereof the words "withdrawn for the purpose of its recasting and immediate reintroduction with suitable provisions to insure that the butter producers of Australia will be guaranteed a return for their exportable surplus butter at a price which shall not be less than the world's parity for butter during the period in which such exportable surplus is disposed of.

Dr. EARLE PAGE (Cowper) [4.57].—The debate upon this Bill has been very instructive to me, as I think it will be to the electors when they are able to read its details. I have special knowledge of, and interest in, the dairying industry. I have been connected with it for many years, and in conjunction with the Minister for Trade and Customs (Mr. Greene) I represent probably between one-fourth and one-fifth of the total dairy production of Australia. During the last few hours we have heard from Opposition members opinions in regard to further production which convince me that they know very little about the matter, and arouse a suspicion in my mind that in regard to other questions of primary production, about which we have heard so much from honorable members opposite, their statements may show quite as big a divergence from the actual facts. Almost every speaker on the Opposition side has asked for information, and more information; but it seems to me, from the attitude those honorable members have adopted toward this Bill, that if their requests were granted, they would almost be receiving information in a strange tongue, because it would be impossible of being understood by them. This Bill embodies practically the same principle as that for which honorable members opposite have been fighting during the last three weeks, namely, the recognition of organized

bodies that are connected with industries. This Bill really means a recognition of the organized bodies which are entitled to speak for the dairying industry. During the last few weeks, while the House was considering the Industrial Peace Bill, honorable members of the Country party did not "butt in," and claim that we alone were competent to speak for the coal miners or other workers. We supported the efforts which were made by the Opposition to secure the recognition of organized interests in industry.

What is the history of the agreement which the House is asked to sanction? During the war, a Federal Butter Pool was in existence. It did not meet with the general approval of primary producers, and a desire was expressed that, at the earliest possible moment, Government control of the industry should be completely relinquished. In compliance with that view, the Minister convened, in March of last year, a conference of the bodies interested in dairy production to discuss the best method of bringing that about. In order that the conference should be truly representative of the industry, the Minister gave ample notice, and according to a statement published in the *Age* in February last, in order to consider the question of new arrangements—

Invitations are being sent to the Commonwealth Dairy Produce Pool Committee and the representatives who were elected by the States to consider the dairy produce co-operative scheme, which was placed before them some time ago by the Minister. It is thought that these delegates, having been elected by dairymen, will be able to interpret the views of the producers. The Minister stated last night that it was anticipated that steps would be taken in the meantime by the producers' organizations to get into touch with the representatives who are to attend the conference, so that the latter would be fully acquainted with the desires of the producers, and would be able to act with full authority. He added that the Commonwealth Government would not enter into any contract unless it was fully satisfied that the great body of the producers desired that it should do so, and completely approved of the terms.

I do not think any honorable member on either side of the House can object to the principle which the Minister laid down. During the six weeks which elapsed between the convening and the holding of the conference, resolutions were carried throughout the dairying districts of Australia, of which the following—which was passed at a meeting of producers at

Smithtown, in my electorate—was typical—

That this meeting of primary producers bring before the notice of the Federal member the unsatisfactory position dairymen are placed in with regard to the disposal of their butter, and request that he will use his influence in having the prices lifted; also that no further contract be entered into with the Imperial Government at the termination of this contract unless desired by the primary producers of this State.

Mr. CUNNINGHAM.—Were the producers then consulted about the agreement?

Dr. EARLE PAGE.—As soon as the proposition was brought forward, the primary producers' organization in New South Wales circularized every union, which practically comprised every individual dairy farmer, with a view to having the matter thoroughly considered. At the conference held in Melbourne, in March, the following resolution was arrived at—

That this Inter-State Conference be urged to request the Minister to inform the Imperial Government that the producers desire a free market; but in the event of the Imperial Government deciding to retain control of the importation and sale of dairy produce in Great Britain after the completion of the present contract, the Commonwealth Dairy Produce Pool Committee be empowered to negotiate with and sell to the Imperial Government next season's surplus butter and cheese.

Mr. RYAN.—Can the honorable member show where the conference asked for a Bill of this character?

Dr. EARLE PAGE.—Later, I shall explain, I hope to the satisfaction of the honorable member for West Sydney, and his farmer constituents, why this Bill is necessary. Such were the resolutions adopted by the conferences that met to discuss this matter. It was realized on every hand that the arrangement was not ideal, but that it was the best that could be got, and a half-way house to an open market. The producers desired, if possible, to secure complete freedom from Government control, but they recognised that the actions of the Imperial Government could not be controlled by the Australian Government, and that if they were to take advantage of the British market, they must subscribe to the terms fixed by the Imperial Government. Then the question of ability to carry out a contract arose, and that is really what has necessitated the passage of this Bill. The Minister (Mr. Greene) has already

detailed the method by which the agreement was arrived at. The Government did nothing in the matter; it was two delegates of the producers who went Home and arranged the following contract:—

The Pool, with the Government approval, has sold the exportable surplus of butter from the 1st of August, 1920, until the 31st March, 1921, as under:—

Price, 240s. per cwt. for 90-grade butter, with 1s. per point up or down, with 3s. per cwt. additional for unsalted butter.

Payments are to be made at the end of fourteen days after being placed in cool storage at port of shipment or against storage warrants.

Storage.—The cost of storage in Victoria to be paid by the sellers for an average of six weeks; after that to be paid by the Imperial Government.

Commonwealth Grader's Certificates issued when the butter was graded to be final.

The East, and South Africa.—The normal trade of the East is to be provided for, and up to 50 tons monthly to be released for shipment to South Africa.

The price asked for was 252s. per cwt., but after bargaining a compromise was arrived at, as set out in the agreement. However, it is confidently anticipated that an increase will be granted by the Ministry of Food in Great Britain.

Mr. RYAN.—Is that mentioned in the contract?

Dr. EARLE PAGE.—No.

Mr. AUSIN CHAPMAN.—Who will get that increase?

Dr. EARLE PAGE.—The producers will get it.

Mr. PARKER MOLONEY.—Where did the honorable member learn that?

Dr. EARLE PAGE.—A cablegram which appeared in the press a few days ago stated that it was the definite desire of the Imperial Government to give the highest possible price, in order to encourage the fullest production in every sense.

We have heard a great deal about placing an embargo upon the exportable surplus of butter, but what has always been the position? The price of butter is high during the winter months in Australia, and keeps high until November or December, and then gradually, and sometimes suddenly, falls, owing to the fact that the later shipments from Australia come into a flushed market in Great Britain. In 1912, the highest price for Australian

butter in London was reached in January. It was 134s. per cwt. This was followed by a rapid decline until the middle of the year. In 1913, the price rose until it reached 128s. in November, and then it slumped until the middle of 1914. Even in 1915, during the war period, the price reached its highest point in December, and then fell, and remained low until the middle of 1916. That is the normal position, and what we must expect, because Danish butter, which has always supplied the bulk of British requirements, will be available next year, as it was before the war.

Honorable members of the Country party are opposed to placing embargoes on export, but when practically every co-operative society throughout Australia has decided to pool its butter, and accept the price offered by the Imperial Government, we think it is scarcely right for honorable members on the Labour benches to seek to take steps which would permit a proprietary concern to sell its butter outside the Pool until October or November at a big price, and then ask to be allowed to come into the Pool in January or February, when the price may be lower than 242s. per cwt. outside the Pool.

There has been considerable criticism in regard to the *personnel* of the Dairy Produce Pool. We have heard talk about "middlemen," the avowed enemies of everything Australian, and everything decent and just. Mention has been made of Mr. J. W. Sandford, who, as well as being a large merchant, happens to be the owner of the largest butter factory in South Australia. Is it conceivable that he would be desirous of securing less for the butter of the producers he represents in South Australia than can be got from the Imperial Government?

Mr. CUNNINGHAM.—It is alleged that he is interested in a distributing business in Great Britain.

Dr. EARLE PAGE.—The names of the members of the Dairy Produce Pool Committee are household words throughout the dairying industry as leaders of co-operative effort among the producers. Here is the list of the members of the Committee—

Victoria.—A. W. Wilson (Acting Chairman), Manager of Gippsland and Northern Co-operative Selling Company; C. C. Lewis, Manager,

Victorian Butter Factories Co-operative Company; J. Rankin, Director, Western District Factories Co-operative Company, a large dairy farmer; P. J. Holdensen, butter factory proprietor, and a large dairy farmer.

New South Wales.—C. J. McRae, President of the Primary Producers Union of New South Wales; W. H. Clifford, General Manager of the North Coast Co-operative Factory Company, the largest butter concern south of the equator; P. C. Basche, a large dairy farmer and export agent in Sydney; J. Mackey, Sydney merchant, with very large co-operative connexions.

Queensland.—W. Purcell, Chairman of Directors of the Downs Cheese Factories Association; T. F. Plunkett, representing the Beaudesert Co-operative Association; W. T. Harris, Toowoomba, Secretary Co-operative Factories, Queensland; A. C. Galbraith, General Manager of the Rural Industries (Queensland) Limited, controlling about 80 per cent. of the cheese output of Queensland.

Tasmania.—O. G. Norton, Chairman of Directors of the North-West Dairy Association of Tasmania.

South Australia.—J. W. Sandford, owner of the largest butter factory in South Australia, and a large merchant, representing a very big proportion of the producers of South Australia.

Commonwealth Government.—Mr. A. O'Callaghan, Commonwealth Dairy Expert.

Messrs. A. W. Wilson, C. J. McRae, and W. Purcell are Government nominees. The others were elected by each State at meetings of primary producers.

MR. GABB.—Do any of those gentlemen "pull the teat"?

DR. EARLE PAGE.—Many of them have been doing so.

MR. PARKER MOLONEY.—Has the honorable member mentioned the middlemen referred to by the Minister?

DR. EARLE PAGE.—Yes. Messrs. Basche, Mackey, and Sandford are those whom the Minister regards as middlemen, but they are also dairy farmers and have large co-operative interests.

MR. GREENE.—Mr. Holdensen is another.

DR. EARLE PAGE.—But by no stretch of imagination can they be regarded solely as middlemen. In any case, they are in a hopeless minority on the Committee. Mr. Sandford has only a one-twenty-first say in the control of the Pool.

MR. PARKER MOLONEY.—But he is anxious to get the highest price for his dairying machinery.

DR. EARLE PAGE.—He represents South Australian producers with a total output of £698,000, as against £5,468,000 from New South Wales, and £4,278,000 from Victoria. Even if Mr. Sandford wished to control the business, what possibility would he have of doing so?

In regard to the question of the Government's so-called *mala fides* in this matter, the argument of honorable members opposite is most absurd.

MR. RYAN.—Not necessarily *mala fides*; incompetency would be the better word to use.

DR. EARLE PAGE.—The Minister (Mr. Greene) who has brought forward the Bill is a dairy farmer and represents the biggest dairying constituency in Australia. For the last eighteen months he has done his best to secure some co-operative methods in the control of the sale and handling of butter in Australia. Is it likely that he would bring forward a Bill which might possibly occasion loss to the dairy farmers in his electorate? Is it likely that, realizing that during the war the farmers had been scourged with whips, he would bring down a measure to scourge them, as honorable members opposite put it, with scorpions?

In connexion with the sale of primary produce in Australia, I would like to have a full explanation of the attitude of the Labour party. We have heard a good deal from honorable members opposite about the farmers getting a reasonable price for home sales. I would like to know exactly what they propose the farmer should get. Two or three weeks ago the honorable member for Hunter (Mr. Charlton) and the honorable member for Cook (Mr. Catts) suggested a basis upon which prices in Australia should be fixed. Within my recollection, two Labour Governments have fixed the price of butter in Australia. Five years ago a Labour Government in New South Wales fixed the price at 1s. 3d. a lb., although, over the border in Queensland, butter was selling at 2s. 6d. per lb. Subsequently, the Queensland Government commandeered all supplies in the State at 140s. per cwt. and sold some of it in New South Wales at 172s. per cwt. I did not hear of the difference of 32s. going back to the primary producers.

MR. RYAN.—The surplus realized on Queensland butter sold in London, amounting to tens of thousands of pounds, was given to the producers.

DR. EARLE PAGE.—I was talking of the butter sold in New South Wales. That is to be the position when the world's parity is greater than the price prevailing in Australia. But what would it be

when the world's parity was below what would be a reasonable price on the basis suggested by the Labour party? Would they still maintain that the price should be determined by the wages paid to the dairy farmers and their wives and children engaged in the industry? If honorable members opposite are prepared to concede that point—if they are prepared to give the dairy farmers an effective protection of that character—we shall be able to join hands with them. But we require clearer and more precise evidence than is so far forthcoming that that would be their attitude in connexion with the fixing of the prices of our primary products. In the early months of the present Parliament, when we had the sugar agreement before us, practically the whole of the influence of the Labour party was thrown into an effort to fix the price of sugar at a lower rate than was proposed by the Government. Although the honorable member for West Sydney (Mr. Ryan) has read to the House a list of representatives of country districts who are members of the Labour party, the fact cannot be overlooked that they number only six or seven in a party of twenty-six. Is it reasonable to assume that that tail would "wag the dog" when the party had to come to a decision as to whether the consuming or the producing interests of Australia should prevail?

Mr. RYAN.—But every member of our party is pledged to the same policy. Here is an extract from the Labour manifesto—

We shall guarantee to the producer a return which will secure to him a price for his products that will cover the cost of production and allow a reasonable margin of profit.

Dr. EARLE PAGE.—Will the honorable member enlarge upon that statement in his party manifesto by informing the House as to the attitude which he and his party would adopt when the world's parity, so far as butter is concerned, was considerably less than the cost of production here? The Queensland Labour Government, I understand, has fixed the price of butter, not at 240s. per cwt. as under this contract, but at 228s. per cwt.?

Mr. FENTON.—Queensland has had for some time an exceptional surplus of butter.

Mr. CORSER.—This is not an exceptional season in Queensland.

Dr. EARLE PAGE.—At a time when practically every dairy farmer in Southern

Queensland and Northern New South Wales was trying to secure a reasonable return for his produce to enable him to recoup his drought losses, Labour interests were sufficiently powerful to reduce the price by something like 20s. per cwt. in New South Wales. The same thing will happen again if Labour has its way, and that is why, in season and out of season, we urge that despite what is said by the Labour party, it is necessary that there should be in this House and in the country a strong body of producing representatives who will insist upon a fair deal for the primary producer.

Mr. PROWSE (Swan) [5.25].—The Bill is designed to give legislative power to an honorable agreement that has been made between the butter producers of Australia and the Imperial Government, and recognition by this Parliament seems to be necessary to insure that all butter producers in Australia shall stand up to their obligations under it. Honorable members on both sides of the House will admit that if the price obtainable under the agreement was below the current rate it would not be fair for dairy producers to disregard that agreement and to sell their butter outside at the higher price. On the other hand, if the price under this agreement was higher than the current rate subsequently procurable, producers could bring their butter under the terms of the contract and so escape the low price. The measure is necessary, therefore, to prevent certain producers of butter from "blacklegging" or "scabbing" on their fellow producers. The butter producers are to be complimented on their desire to secure by this Bill the only means for the fulfilment of an honorable agreement. Good faith is an important asset, and there should be no means of breaking faith in the carrying out of an honorable arrangement. This Bill seeks merely to control the operation of any agreement, and should, therefore, be readily dealt with. It seems to be the custom, however, for honorable members to avail themselves of opportunities, such as the introduction of a measure of this kind offers, to ventilate their various opinions. It is interesting to hear honorable members of the Labour party asserting that they have included in their platform the principle of securing to the producer the highest price that he can

obtain for his produce after the Australian consumption has been met. I should like to see that principle not merely in the party platform, but actually put into practice. Why obtain the highest price only for that which is sold outside the Commonwealth? Why not give the Australian producer the price which, if he did not produce it, would have to be paid here for the imported article. There seems to be no logical reason for not doing so. I should like to know what other sections of the community in Australia have done for the butter producer to justify him giving any concession to the local consumer. Consumers in Australia are always ready to get their butter at the lowest possible price by taking advantage of a flushed market or any other circumstances that arise. Honorable members opposite desire that we should squeeze from the consumers overseas the highest price that we can obtain for our exports. What then becomes of their brotherhood of workers? The butter that we send Home is consumed by labourers, amongst others, there, and I do not know why they should pay more than is paid by Australian labourers or *vice versa*. The producers of butter in Australia are ready to make concessions to the local consumers, when the latter are ready to make concessions to them. I think that honorable members of the Labour party, when they proceed to make up the cost of butter production, will be rather sorry that they have placed in their platform the plank to which reference has been made. Butter producers work seven days a week, wet or dry, hot or cold. The cost of milch cows is increasing, and the increasing cost of living applies to the butter producers, as well as to all other sections of the community. Many of those engaged in other industries are asking for more protection against imports; but no protection whatever is given to the butter producers. Any policy that does not give the butter producers, and all other producers, at the very least the world's parity for their commodities will not do justice to them.

MR. LAZZARINI (Werriwa) [5.37].—I congratulate the honorable member for Swan (Mr. Prowse) on his choice of such classical words as "blacklegs" and "scabs." In supporting the amendment moved by the honorable member for

Hume (Mr. Parker Moloney) that the farmers shall obtain the world's parity for their exportable surplus of butter, I desire at the outset to refer to the statement made by the honorable member for Cowper that there is no evidence of the fraternity of labour in the proposal of the Labour party to make the labourer in England pay more than he would otherwise do for his butter. If we had any guarantee that the labourer in England would reap the benefit of any reduction no fault could be found with the honorable member's complaint. I would remind him, however, that the British working classes derived no advantage from the fact that the price paid for Australian produce in England during the war was considerably less than that paid for the same commodities from other countries. Bread made from Australian wheat was sold to the English labourer at the same price as that charged for bread made from wheat purchased from the United States of America, Canada, and the Argentine at nearly double the price that we received. It will be the same so far as our butter is concerned. We realize that if the Australian butter producer obtained for his exportable surplus less than the world's parity, no advantage would be secured by the British labourer. The difference between the world's parity and the lower prices obtained by the Australian producer would go, not to the consumers in the Old Country, but to the middlemen who are controlling the business and manipulating for their own benefit private producing organizations in Australia. When the honorable member for Hume (Mr. Parker Moloney) referred to the world's parity, he was asked what would happen if the world's price for butter fell below 2s. 1d. No one in his senses could conceive of such a thing happening during the next twelve months—which is the period for which the agreement is to be in force—because the herds of cattle throughout the whole world have been diminished either by drought or by the necessities of warfare.

MR. PROWSE.—Would you repudiate the agreement?

MR. LAZZARINI.—If an agreement has been entered into by the primary producers, the Bill is unnecessary. In my opinion, the measure is designed to put compulsion upon men who have not

signed the agreement, and were not represented at the conference which was held. What does the agreement contain? No doubt, there is much legal phraseology, and many clauses.

Mr. GREENE.—There is no legal phraseology, and the agreement does not cover much more than one sheet of foolscap.

Mr. LAZZARINI.—It should have been embodied in the Bill, or copies of it should have been circulated among members at least twenty-four hours before the inauguration of this discussion. I deny that the dairy farmers have entered into this agreement. The conference that has been referred to was like other conferences of the kind that have been held, at which the primary producers have been represented by stock and station agents, country solicitors, city exporting agents, and others who formulate the resolutions that are agreed to, and commit the primary producers, hundreds of whom know nothing of what is being done. Parliament is being asked to give legal force to an agreement which has been made simply in the interests of the big middlemen and exporting agents. It shows how the members of the Corner party represent country interests when a member of that party has declared that he will vote for the Bill, although, according to him, it costs 4s. per lb. to produce butter, and the producers are to get only 2s. 1d. per lb. for it.

Mr. PROWSE.—They are honorable.

Mr. LAZZARINI.—They are being asked to buy their honour at too high a price in that difference of 1s. 11d. per lb.

Mr. ROBERT COOK.—What is the world's parity?

Mr. LAZZARINI.—The world's parity is the price obtained on the world's markets with free exportation. I am prepared to support legislation which will facilitate the exportation of our foodstuffs to the right quarters. But in guaranteeing to supply other peoples with foodstuffs, we should see that our own people are not required to make a sacrifice as in the past. We know what a muddle has been created by the looseness of the contracts made for the supply of other commodities. Possibly, a similar tangle will be caused by this agreement, and then the Prime Minister will tell us that had he known at the time what he knows now, it would not have occurred.

In the interests of the primary producers, we should see that they get the world's parity for their butter. The Minister for Trade and Customs (Mr. Greene) interjected yesterday that New Zealand sells her butter at a slight premium, and some one said that it was because her butter was better than ours.

Mr. STEWART.—Owing to climatic conditions.

Mr. LAZZARINI.—Apparently every other part of the British Empire can get better conditions than Australia, and did so throughout the war. Argentine and American farmers were treated better than Australian farmers. This Parliament, instead of protecting the national life and sentiment of Australia, seems bent on retarding the natural progress of the country. It has been said that a reason for supporting the Bill is that the Government will advance money on the butter that is exported. I understand that it takes three months now to get a settlement.

Dr. EARLE PAGE.—The Commonwealth Government is going to pay every fortnight.

Mr. GREENE.—The Commonwealth Government does not come into the matter, and because it does not, the Bill is necessary.

Mr. LAZZARINI.—This is one of the clauses of the agreement—of which an honorable member has just handed me a copy—

Payment shall be made at the Food Controller's option, either against bills of lading, with interest at the rate of 6 per cent. per annum on the value of the butter from the end of the fourteenth day after it has been placed in cold store at port of shipment in Australia to the date of payment; or against store warrants, in full, or on account, at any date after the butter has been in cold store at port of shipment for fourteen days, with interest at the rate of 6 per cent. per annum on the unpaid balance of the value of the butter from the end of the fourteenth day after it has been placed in cold store at port of shipment, to the date of payment.

Who will benefit by that arrangement? It has been said that the primary producer will benefit, because he will get ready money for his butter. It seems to me, however, that we are really assisting the exporter to sell his goods before he is called on to pay for them, whereas importers must pay for their goods, or at least have their bills accepted by the banks, before they can take delivery of them. The measure is for the benefit of

the middlemen, and the Country party is once more closely allied with the Nationalists to serve the middlemen's interests instead of the producers, which is what has taken place in connexion with every piece of legislation that has come before us.

Mr. FLEMING (Robertson) [5.50].—The closing remarks of the honorable member for Werriwa (Mr. Lazzarini)—

Mr. STEWART.—Leave him to us!

Mr. FLEMING.—I am quite prepared to leave the honorable member to the members of the Country party in matters which concern them, but his remarks had a much wider reference. His closing words seemed to me just as contrary to fact as it was possible to make them. The whole basis of the measure is that the farmers have come together and made an agreement which leaves them some control, for once in a way, over their own products. They having decided that it is time they got something like a fair return for their labour. The result is great consternation in the ranks of the Opposition, because they think that the consumer may suffer. But the primary producers have suffered quite long enough; and even if the consumer does pay a little more, what does that matter so long as the return goes into the pockets of those who earned it? That is what we are here to secure.

Mr. MAHONY.—What did you say at Mudgee?

Mr. FLEMING.—I told the people at Mudgee just what I am saying here.

Mr. PARKER MOLONEY.—That was not what was in the newspaper report.

Mr. FLEMING.—I do not know what was in the newspapers; but I have always held that it was time that the primary producers were given a voice in the disposal of their produce. Now, when for the first time something definite is sought to be done in this direction, we find all sorts of charges hurled against men who have banded themselves together in order to get fair play. In dealing with the dairy farmer we have to consider not only his wages, but also a return for the whole of his family. Unlike the worker in the city, who does his daily work and takes his wages home at the week end to his family, every single soul on the dairy farm does his or her share. The men, women, and children all help in produc-

tion; and in assessing values the work of every one has to be considered. The dairy farmers have now got together, and through their organization have asked the Government to give them some recognition. But when that is proposed there is a howl of protest from the Opposition. We are told by honorable members opposite that they are quite prepared to allow the farmers a fair return for their exportable surplus. They are quite prepared to let the farmers get higher and higher prices; but are they prepared to permit the same in relation to the dairy produce sold in Australia? It is no use talking of encouraging production for overseas markets if we deprive the producers of their home market.

Mr. GREENE.—Which is three-fourths of their trade.

Mr. FLEMING.—Undoubtedly. We have had the honorable member for West Sydney (Mr. Ryan) giving us a list of his colleagues who represent primary producers, though he is the man above all others who has depressed the price of primary products in Australia. He claims that his party is ready to do something in the interests of the primary producers; but there are men of my acquaintance who have been driven out of Queensland because of the impositions placed upon them by the honorable member for West Sydney when he was Premier of that State. In face of facts like these, the honorable member tells us that he is prepared to champion the cause of the primary producers. He finds fault with the Bill, which represents an arrangement between the producers themselves and the Imperial Government, under which the producers will have some chance of controlling their own affairs, and not only getting a better price now, but being assured of a price for twelve months ahead. This latter is quite a new advantage to the farmer, who has always been dependent on the seasons and fluctuating prices; never, from year to year, or month to month, could be sure of a price; but now there is an agreement under which he has the advantages I have indicated. This Bill will give an impetus to dairy-farming and production such as never before existed, and the primary producers will feel convinced that the National

party really has their interests at heart as much as any men whom they could possibly send to this Parliament. I am extremely glad that this Bill has been introduced. The Minister for Trade and Customs (Mr. Greene) represents one of the largest, if not the largest butter-producing district in Australia, and he has come into line with the aspirations of this branch of industry, which at last is to be insured a decent return for labour expended.

Mr. LAVELLE (Calare) [5.55].—I must congratulate the honorable member for Cowper (Dr. Earle Page) on the speech he made this afternoon. As an attempt at humour, it was certainly excellent, so excellent, indeed, that the honorable member stands as a worthy rival of Mark Twain. It must be said, however, that his remarks were not quite so enlightening as they were amusing. The honorable member said that, after listening to honorable members on this side, he was satisfied that we did not possess a knowledge of the needs and requirements of the primary producer; but, observing his smile, we knew that he did not mean one word of what he said. Every one recognises that if there is one party standing for the primary producer in this, or any other country, it is the Australian Labour party. We, on this side, are opposed to the principle of the Bill because we say now, as we have said for years, that it is time the producer had a fair deal so far as the sale of his produce is concerned.

Mr. CUNNINGHAM.—Is the honorable member for Cowper a primary producer?

Mr. LAVELLE.—I believe he is. It is now time we got back to normal conditions and the primary producers were given a fair chance and not restricted in any way as to where they shall sell their produce.

Mr. ATKINSON.—How does this Bill restrict them?

Mr. LAVELLE.—If the honorable member does not understand how, I am not responsible. The Labour party contend that the producers should have a free choice so far as oversea or any other markets are concerned. The members of the Country party during the elections declared they were coming here to preserve the interests of the primary producers, but I am sorry to say they have not done so. It is pleasing, however, to

know that the scales have fallen from the eyes of the electors, who realize more fully every day that there is one, and only one, party to look after their interests, and that is the Labour party. How can any one maintain that this Bill conserves the interests of the primary producers when it is realized that during the last four years they have been robbed of, approximately, £400,000,000 of the value of their produce in oversea sales! I notice that the "cabbage soldier," the honorable member for Robertson (Mr. Fleming) laughs, but it is no laughing matter for the producers, not two per cent. of whom wish to see legislation of this nature. It is said, particularly by those who claim to represent the producers, that this Bill is introduced at the desire of the producers themselves—as a recognition of the organization of the farmers. But so far as I can see, those honorable members cannot tell the House what organization does represent the primary producers. Some tell us that the producers are represented by the Farmers and Settlers Association, while others say that they are represented by the Primary Producers Union; but it was stated very clearly by the honorable member for Werriwa that the so-called primary producers' unions and associations in New South Wales and every other State are dominated and run by middlemen, stock and station agents, bank managers, and others who are the producers' natural enemies. The farmers and other primary producers were duped and deluded into sending members here who, they thought, would represent them, but who, as events prove, do not represent them at all. Those members, on the contrary, stand loyally by the middlemen, and just as loyally by the occupants of the Treasury benches, who are the recognised friends of middlemen. If a contract has been made for the sale of this butter, why is it necessary to pass the Bill? No explanation has been given why the producers' market should be restricted, and the fact must be emphasized that no restriction whatever should be placed on the disposal of their produce. It has been said that those engaged in dairy-farming work exceptionally long hours, and a harrowing picture was painted by the honorable member for Robertson of the heavy labour and pri-

vations suffered by the dairy farmer and his wife and children. It is true that all producers on the land work long hours, whether engaged in general farming, dairying, or any other branch of agricultural work, and I admit that the wife and children of the dairy farmer work hard; but that is only an additional reason why they should receive the greatest possible reward for their produce.* I oppose the Bill because it restricts the field of operations in the sale of produce, because it is unnecessary, and because the general farmer does not believe in it. He realizes that during the last three years, in the overseas trade, he has not been fairly treated by the Government and other so-called representatives of the primary producers. Representing, as I do, every section of the worker, whether dairy farmer, wheat farmer, or general manual worker, I am opposed to the measure, and intend to vote against it.

Mr. STEWART (Wimmera) [6.5].—Some of the remarks made by members of the Opposition call for a reply. They have compared the butter agreement to other sales of primary produce during the war. There is an immense difference between the two classes of transactions, as I shall show by a detailed comparison. In the sale of the Australian wheat crop the growers were not consulted, particularly in the earlier part of the war. The original Wheat Board consisted of the Ministers of Agriculture for the four wheat-producing States with the Prime Minister as chairman. In addition there was an Advisory Board, comprising the well known agents and shipping firms of Darling and Co., Bell and Co., Dreyfus and Co., and Dalgety and Co. Those two bodies negotiated with the Imperial Government and made the contracts for the sale of the wheat; the rank and file had no say in the matter.

Mr. PARKER MOLONEY.—They asked for representation and the Commonwealth refused it.

Mr. STEWART.—That is so. This butter transaction is on a different footing. The Minister for Trade and Customs (Mr. Greene) endeavoured to organize the dairying industry on a co-operative basis, and he put before the organized dairymen what I regarded as a very good proposal. As, however, the scheme emanated from the Government, the

dairymen were suspicious, and rejected it. The Minister then said, "Very well, if you wish to conduct the business in your own way, do so." Representatives of the industry assembled and appointed two of their number to go to England to negotiate the sale to the Imperial Government. With a perfectly free hand they made the agreement, copies of which are available, and the Government are now asked to give legislative indorsement to it.

Mr. RYAN.—Does the honorable member say that the Bill will ratify the agreement?

Mr. STEWART.—I do not say that it ratifies the agreement; the honorable member can read for himself what the Bill does.

Mr. GREENE.—At any rate it enables the Dairy Produce Pool to give legal effect to the agreement.

Mr. STEWART.—Honorable members have asked why, if the dairymen have accepted the agreement, the Commonwealth Government should be asked to give legal effect to it.

Mr. RYAN.—What legal effect the agreement has exists in itself.

Mr. STEWART.—I shall not attempt to argue a question of law with the honorable member.

Mr. RYAN.—Why is it necessary to give the Minister for Trade and Customs power to prohibit the export of butter?

Mr. STEWART.—I shall come to that point. I believe the honorable member stated that some middlemen attended the conference which accepted the agreement. That is perfectly true. Four middlemen were delegates. Another honorable member said he was fairly certain that the conference was not unanimously in favour of the acceptance of the agreement. That also is true, but the delegates who were suspicious of the agreement were the middlemen; they were the men who were not favorable to the acceptance of it.

Mr. PARKER MOLONEY.—The Minister said the opposite was the case.

Mr. STEWART.—Then, perhaps, I have been misinformed.

Mr. GREENE.—I think the honorable member is mixing up two things, as I shall show later.

Mr. STEWART.—When honorable members ask why this Bill is necessary I refer them to something that happened in connexion with the Australian Dried

Fruits Association. The Association released for consumption in Australia a large quantity of dried fruits at prices less than could be obtained overseas. Middlemen and other speculators purchased as much as they could of this fruit, even going so far as to buy retail in small parcels, stored it up, shipped it overseas, and reaped a big profit.

Mr. GREENE.—Honorable members opposite are advocating a lower price for butter in Australia. That would play into the hands of middlemen in the way the honorable member has indicated in connexion with dried fruits; the middlemen would reap a profit to the detriment of the primary producer.

Mr. STEWART.—Exactly. Honorable members opposite have prophesied that the butter market overseas will rise. I admit frankly that the market may rise, and that the dairymen may then regret having made this agreement; but I still support the agreement, because the dairymen, having made the bargain, have asked us to give it legislative sanction. If, later, they regret the bargain, they will have only themselves to blame.

Mr. PARKER MOLONEY.—That will not satisfy the dairyman, who does not know anything about the agreement.

Mr. STEWART.—The dairyman who knows nothing about the agreement is not a co-operator.

Mr. GREENE.—There is no factory throughout Australia that was not asked to send representatives to the State Conference or the Central Conference.

Mr. STEWART.—The whole point is that the representatives of the dairymen have asked for the assistance of Parliament in carrying out the agreement they have made. They wish to prohibit the export of butter within certain limits, because, if the price overseas does increase, the butter that should go into local consumption will be purchased by middlemen and sent overseas. In other words, there are amongst the primary producers certain men whom honorable members opposite would call "scabs" on their organization, and who will stick to this agreement so long as it is the more profitable arrangement, but immediately they think it more profitable to abandon the agreement and "scab" on the rest of their fellow producers, they will do so.

Mr. PARKER MOLONEY.—The people whom we call "scabs" work for lower wages; those whom the honorable member calls "scabs" are those who will ask for higher prices.

Mr. STEWART.—The honorable member has answered his own argument. In listening to the speeches from all sides of the House in championship of the cause of the primary producers, one cannot help wondering at the significant interest which is being displayed in the producers since they started to organize. A member of the Opposition remarked that the farmer was the backbone of the country.

LABOUR MEMBERS.—Hear, hear!

Mr. STEWART.—I have heard it said that the farmer is the "wishbone" of the country, and that members of the Labour party are holding one end, and members of the Ministerial party the other, and both are tugging vigorously to get the bigger half.

Mr. GABB (Angas) [6.17].—I had some doubt as to the attitude I should adopt in regard to this Bill, but some remarks which have been made this afternoon have decided me as to my duty in the interests of the primary producers—not the men who own the butter factories, but those who do the actual hard work of dairy farming. One thing which has influenced me in coming to a decision is the remark made by the Minister for Trade and Customs (Mr. Greene), to the effect that Mr. Sandford, of Adelaide, was quite in favour of this agreement.

Mr. GREENE.—I said that it was to the interest of Mr. Sandford and those associated with him to get the biggest price possible for butter.

Mr. GABB.—The Minister said that Mr. Sandford was in favour of this scheme.

Mr. GREENE.—Pardon me, I said nothing of the sort, and the honorable member must accept my denial.

Mr. GABB.—I can believe my own ears. Then the honorable member for Cowper (Dr. Earle Page) quoted Mr. Sandford as the representative of many of the primary producers of South Australia. As a South Australian I do not believe that 5 per cent. of the primary producers of that State will agree that Sandford and Company have proved themselves the friends of the farmers.

Writers on poultry, whilst not daring to mention the name of the firm, make it clear that the firm of Sandford and Company has held the egg market in its grip for many years to the detriment of the poultry raisers. While the honorable member for Hume (Mr. Parker Moloney) was speaking the honorable member for Indi (Mr. Robert Cook) continually asked him whether he did not know that Mr. Sandford owned a butter factory. It is true that he owns one of the biggest factories in South Australia, and also that he manufactures one of the best brands of butter made in that State, but that does not constitute him a friend of the primary producer. Even members of the Country party will not contend that agents for the sale of necessary machinery for the manufacture of butter are as a rule friends of the primary producer. Mr. Sandford is the only man mentioned in the list which has been referred to of whom I know anything, and I am absolutely positive that he cannot be regarded as a fair representative of the man who looks after the cows in the State I come from. If I had found on the list the names of men whom I could mention settled on the Murray reclaimed swamps at Eudunda, Kapunda, Woodside, and the outlying districts around Two Wells, Mallala, Gawler, and such places, I should have some faith in the agreement as representing the views of the primary producers, but, to tell me that Mr. Sandford is satisfied with the agreement is sufficient to warrant me in refusing to support it. I have been concerned in my mind about the matter, because outside the south-eastern district of South Australia, the electorate I represent, is one of the principal butter producing districts in that State. Honorable members have spoken of the long hours worked by those engaged in the dairying industry. I know all about that. There are no men in the country more deserving of help and encouragement than are the market gardeners and dairymen. No men do more work for the return they get, and we should do all that we possibly can for them. I am anxious that we should do the best that can be done for the dairymen of Australia. The object of the amendment is to insure to the primary producers of Australia that their products sold overseas shall be sold at the world's parity. I agree with that,

and I believe that honorable members of the Country party also agree with it. I do not accuse members of that party of being in favour of the middleman. They have far too much sense. But I do accuse Ministerial members of representing the middleman's party, because their election campaigns are financed by middlemen. Members of the Country party know that while the middleman is not a friend of the farmer, he cannot well be a friend of theirs. In the circumstances, I am at a loss to understand why they should object to the amendment. If they have some better proposal by which greater protection might be given to the interests of the dairy farmers, they should submit it.

We have to consider whether there is any probability that the price of butter in the outside world will rise. I believe that the present price on the London market of Danish butter is 330s. per cwt. I have recently been supplied with extracts from letters coming from Germany. They were given to me to assist me in making representations to the Minister for Trade and Customs (Mr. Greene), from whom the people who supplied me with the information are trying to obtain some relief. Those quotations show that the price of butter in Germany to-day is tremendous, and so is the price of lard. Honorable members are aware that at the present time trading with Germany is not allowed. Still, the Government have been humane enough to allow people in Australia to send 11-lbs. parcels to friends in Germany who may be in need, and there are very many of them so placed. In this way parcels of condensed milk have been sent to Germany, and so great there is the need for milk for children, that although these parcels have been sent to private persons, the German Government have taken possession of them, and do not permit adults in Germany to use the condensed milk. I mention that to show the great shortage of dairy products which there must be in Germany. What is true of Germany in this respect is true of other parts of Europe. If this be the position in Germany, it seems to me that so far from the price of butter being likely to go down, it is much more likely to increase. Believing this, I wish as far as possible to protect the interests of the primary producers of the article here.

MR. STEWART.—The honorable member speaks as if the Government made this deal, whereas the primary producers themselves made it.

Mr. GABB.—I thank the honorable member for his interjection. A statement was made by him to the effect that four middlemen at the conference were opposed to the agreement. Then we had the statement which I have attributed to the Minister for Trade and Customs, but the statements do not agree. Of the thirteen names mentioned there is only one I know anything about, and I have said that that is the name of a firm that is not representative of the primary producers. I am in the circumstances placed in such a position that I am inclined to question the contention that the agreement represents the views of the genuine primary producers. I have tried to assure myself on the point, and if I could have been absolutely certain that the Bill represents a legitimate request of the genuine primary producers, I should have been inclined to go with the honorable members of the Country party all the way.

Mr. STEWART.—We all honestly believe that.

Mr. GABB.—Just as I am willing to stand by the decision of a majority of unionists as to the price at which they will sell their labour, so, if I were absolutely assured that honorable members supporting the agreement really represent the views of the primary producers, I should feel bound to stand behind their request.

Sir JOSEPH COOK.—The honorable member knows that in no circumstances could he be persuaded to support a Government proposal.

Mr. GABB.—I am not going to permit the Treasurer (Sir Joseph Cook) to tell me what I know.

Sitting suspended from 6.30 to 8 p.m.

Mr. GABB.—We should encourage the dairying industry because of its importance to the nation. If we stand by the amendment, which provides that the primary producer should obtain the world's parity for his exportable surplus, we shall do much to encourage the extension of the industry. I have here a statement by Mr. A. H. Renard, author of *ABC of Scientific Feeding. &c.*, which, since it deals with the importance of the industry to the nation, I desire to place on record—

It cannot be too often, or too strongly, emphasized that the stability of the dairying in-

dustry is of absolutely paramount importance to the progress and prosperity of the Commonwealth. It is the greatest money-maker and distributor of ready money among primary industries. Its expansion on permanently successful lines is, without any exaggeration, a matter of national life or stagnation. Dairying is the master-key of all Australian industries, because, in the special circumstances, an abundantly large production of milk, enabling a large consumption at a moderate price, is the controlling influence on the physical and mental health, vigour and development of the Australian nation. Furthermore, this great industry holds the solution of the burning problem of the reduction in cost of living, because it produces milk, butter, and cheese, and powerfully assists in the economical production of beef and pork and bacon. Finally, this single industry, being susceptible of immense expansion and intensive development, on safe and profitable lines, is fully capable of solving the vexed questions of the increase in population, closer settlement on the land, drift of rural population to the cities, and a huge export trade.

I indorse all these statements, with the exception of that in which the writer speaks of the dairying industry as being the greatest of money-makers. My observation of those engaged in the dairying industry leads me to believe that, having regard to the labour they put into it, they do not receive the returns which can be secured in many other avenues of employment.

Sir JOSEPH COOK.—It is the hardest job in the world.

Mr. GABB.—For once, the Treasurer (Sir Joseph Cook) and I are in agreement—dairying is one of the hardest of jobs.

Another reason why I desire that the primary producer shall obtain the world's parity for his exportable surplus is that in that event the home consumer could also be protected. Earlier in the debate, the Treasurer tried to make it appear that our party wished to "have it coming and going"—that we desired that the primary producer should obtain the highest price for his produce, and that the consumer should get it at the cheapest rate. I have no such desire. The thought running in my mind is that if, in respect of the exportable surplus, we make it our duty as far as possible to obtain for those engaged in this industry the world's parity, we shall give encouragement to them to enter into the business extensively and scientifically. I do not think many honorable members will claim that, compared with some European

peoples, and particularly the Danes, we have entered into the dairying industry as scientifically or as extensively as we might have done. By obtaining for our dairy farmers the fullest return for their surplus production, we shall induce them to enter more extensively and scientifically into their industry. By the adoption of more scientific methods, they will obtain greater results, and the Home consumers will thereby benefit considerably. To emphasize this point, I shall make another quotation from Mr. Renard. The facts that the writer brings out are worth recording, and may give an impetus to those in the industry who have not given full consideration to the application of science to it. He says—

Dairying can be made a gilt-edged medium of investment, and brought to almost an exact science by the use of scientific methods of feeding the cows and the land. The profitable nature of the rational scientific feeding of land and stock has been proved beyond question. The average production of butter per cow in the Commonwealth is authoritatively given as 165 lbs. It should be, and can be, raised to 265 lbs. per cow within the next ten years. The Danish dairy farmer raised the average production of butter per cow from 175 lbs. to 200 lbs. in five years, and to 260 lbs. in ten years from the date of the commencement of the campaign for the adoption of scientific method into the feeding of Denmark herds. Who will say that the Australian cannot do better than the Dane when he puts his mind to it?

In the earlier portion of my remarks I referred to the importance of this industry to the nation, and I should like for a moment to deal with a matter affecting the consumer. Only last week there was placed in my hands by a chemist a circular which he had received setting out that that splendid article, lactogen, which has been retailed to the people of Australia at 6s. per tin, is now to cost 9s. per tin. In other words, there is to be an increase of 50 per cent. in the price. This is a very important matter, and I propose to ask the Government to-morrow whether they are prepared to subsidize those who produce lactogen so that without any loss to the primary producer its price may not be increased to the consumers. I hope the Government will be able to make some arrangement whereby the cost of this commodity, which is so necessary to the child of the mother who is unable to nourish it in the natural way will not be raised. The burden of the increase

must press most heavily upon the poorer classes of the community. By the employment of help in her home a wife, even in strenuous circumstances, can very often fulfil her full maternal duties. But the wife of a working man, who cannot afford help—who has to attend to her own household duties until almost the moment of her accouchement, and who, three or four weeks after her child is born, has again to do a fair share of the work of the house—needs special assistance in nourishing her offspring. It appears to me, therefore, that this increase in the price of lactogen will be an additional burden on the shoulders of those least able to bear it.

I do not wish to take up the time of the House unduly, but during the course of the debate certain statements have been made to which I desire to refer. The honorable member for Lilley (Mr. Mackay), for instance, said that he noticed that great interest was “now” being taken in the farmers by honorable members of the Labour party. I am glad to have that admission from a member of the Liberal party; but there was no occasion for the honorable member to use the word “now,” as for years past the Labour party has made it its duty to watch the interests of the primary producers, and to encourage their industries in every way. I also notice that the representatives of the Corner party made similar comments, and that the honorable member for Corangamite (Mr. Gibson) used words to this effect: “A greater interest in the farmers is evident in the House on the Labour party’s side than when I came here eighteen months ago.” I desire to remind the honorable member who made the statement that, during the past eighteen months, and since he first entered this Chamber, there has been a general election, the results of which clearly indicated that the members of the Labour party have always been active in assisting the primary producers, because five additional members from primary producers’ districts have entered the Chamber as direct supporters of the Labour party.

Sir JOSEPH COOK.—I should like to know—

Mr. GABB.—I have a very good idea that the Treasurer (Sir Joseph Cook) is now seeking to interrupt me in an endeavour to defend the Corner party, and

it would appear that there is some foundation for the cartoon that was recently published in the *Bulletin*.

Sir JOSEPH COOK.—I should like to know what this has to do with the Bill under discussion. I call your attention, Mr. Speaker, to the fact that the honorable member for Angas (Mr. Gabb) is discussing everything under the sun, but the proposal before the Chair.

Mr. PARKER MOLONEY.—That is a reflection on the Chair.

Sir JOSEPH COOK.—Mr. Speaker was otherwise engaged, or he would have noticed that the honorable member was not discussing the Bill. The honorable member is discussing questions far removed from the principles embodied in the measure;—and it is time he discussed the butter question.

Mr. SPEAKER (Hon. Sir Elliot Johnson).—Order! I ask the honorable member for Angas (Mr. Gabb) to confine his remarks to the question before the Chair.

Mr. GABB.—I have to thank the Treasurer (Sir Joseph Cook) for endeavouring to put me right. I wish to inform him, however, that he was not attentively listening to what I was saying, or he would have noticed that my remarks were relevant.

Mr. SPEAKER.—Order. I again ask the honorable member to discuss the Bill.

Mr. GABB.—I intend to do that. I was merely quoting a statement made by another honorable member in relation to honorable members of this side of the chamber, and which was allowed to pass. In common fairness, I should be allowed to refer to that statement, and comment upon it.

Mr. SPEAKER.—Order! Will the honorable member discuss the Bill?

Mr. GABB.—Mr. Speaker, am I not to be allowed to comment on a statement that has already been made by another honorable member?

Mr. SPEAKER.—The honorable member must discuss the Bill before the House, and he is entitled to comment on other speeches relevant to the Bill, but not to digress into extraneous matters.

Mr. GABB.—Very well; but it seems that a position has arisen whereby one honorable member is entitled to refer to the party to which I have the honour to belong, and that I, as a member of that party, am not to be allowed to reply.

Mr. SPEAKER.—Order! I call upon the honorable member for Angas to withdraw that statement, as it is a reflection on the Chair.

Mr. PARKER MOLONEY.—The Treasurer reflected on the Chair.

Mr. GABB.—If I have reflected on the Chair, I am prepared to withdraw, but I understand—

Mr. SPEAKER.—Order! The honorable member must withdraw the remark without qualification.

Mr. GABB.—I am supporting the amendment made by the honorable member for Hume (Mr. Parker Moloney), because the party to which I belong has always been prepared to do its best in the interests of the primary producers in the Commonwealth, and that is proved by the fact that five new Labour members from rural districts were returned to this House at the last general election. The amendment is in the interests of the butter producers, and I believe that I was interrupted by the Treasurer because I was defending them. I can quite understand that when I refer to middlemen the representative of a district which consists largely of middlemen would try to embarrass me. It is the desire of Labour members in this chamber to protect the primary producers as far as possible from the interference of those who come between the producer and consumer. As a Labour representative, it is my desire to see that the primary producers obtain the world's parity for any surplus products that may be exported. The members of my party always endeavour to protect the primary producers from the middleman and all those associated with him. In conclusion, I regret that I have not had the same privileges extended to me as have been accorded to other honorable members.

Mr. SPEAKER.—Order! I call upon the honorable member for Angas (Mr. Gabb) to withdraw that statement, which is, again, a gross reflection on the Chair, and to apologize to the House.

Mr. GABB.—I desire to remain in the chamber, and—

Mr. SPEAKER.—Order! The honorable member must withdraw without any qualification whatever.

Mr. GABB.—Yes, I will withdraw.

Mr. SPEAKER.—The honorable member must apologize.

Mr. GABB.—Yes, I apologize.

Mr. GREGORY (Dampier) [8.25].—I have no desire to delay the passage of this Bill, but I wish to refer briefly to the question of Government control. I am supporting the Bill with a good deal of misgiving, but I have no intention of supporting the amendment for reasons I shall give later. For some time I have been extremely desirous of getting away from war conditions, and as conditions are now becoming normal, measures such as this should not be necessary. Probably there should be some Government supervision in matters of this kind, but there appears to be a tendency on the part of certain Ministers to try to retain as long as possible some of those powers which were exercised under the War Precautions Act. It is generally recognized that the sooner we revert to normal conditions the better it will be, not only for the primary producers, but for the community generally. I intend to throw down the gauntlet to the Government in connexion with propositions of this character, because there has been too much Government interference. I want them to understand that, unless definite requests are made by the producers for legislation of this character, they are acting in a manner that will place them in difficulties and jeopardize their position as occupants of the Treasury bench. My objection to the amendment moved by the honorable member for Hume (Mr. Parker Moloney) is that, while he seeks to give the producers an open market for export produce, his party has never been inclined to do so in connexion with produce sold within the Commonwealth. I think it is generally admitted that the work of a dairy farmer is extremely arduous, as many of them have to work from daylight until dark for seven days a week. During a recent visit to the Colac district I was informed by dairy farmers that the cost of fodder and other requirements, as well as the increased cost of labour, was such that butter at the present price was not so profitable to handle as when it was 1s. 2d. and 1s. 3d. a lb. We all know that there has been a decrease in our dairy herds, and that the butter production has fallen off considerably. During the last few years there has been a change in connexion with the butter industry, and in such districts as Warrnambool very little butter is now being manufactured. In

some of our principal dairying districts the milk is being sold to Nestle's factory for condensing and other purposes. When at Colac recently, I noticed that large quantities of milk were coming to the factories, and, instead of the skimmed milk being taken away for pigs, a large quantity was being used in making casein, which is used in the manufacture of Lactogen and other milk foods. Unless we are prepared to pay a fairly high price for butter, it is quite possible that those now engaged in the industry will go out of it. Not one member opposite would answer the question, "Should the producer be given an open and free market in Australia?" According to the Queensland newspapers, the price fixed for butter on 12th August last by the Government of that State was £228 a ton, although on that date £240 a ton was being given for it in New South Wales and Victoria. In other words, the Queensland producers were getting £12 per ton less for their butter than those of the other States.

Mr. RYAN.—Do you say that that is the case now?

Mr. GREGORY.—The price of butter has been increased in Queensland to £238 per ton when put up in 56-lb. cases, and to £240 a ton when put up in 28-lb. cases. The view I hold is that the producer, —whether of meat, wool, hides, butter, or any other produce—should obtain on the home market the world's parity for his produce. He is the man who takes all the risk, and those who desire the prosperity of the country will insist that he gets what can be obtained by way of reward. Honorable members opposite give us no assurance that with a clear and open export market the producer would be able to obtain the world's parity for his butter here. We know that their intention will be to fix the price of butter locally. For that reason a representative like myself could not hand over the control of this country's affairs to a party which would fix prices locally. When we put through a Bill providing for the Butter Pool, I was satisfied that the views of the producers had been fully represented, and that it was not merely a measure for giving Ministerial control. I would always prefer to be without Ministerial interference; but it is necessary in this case to get into touch with the Imperial Government. I cannot understand why the High Commissioner in London,

whose office costs us over £60,000 a year, cannot supply us with good and solid information regarding markets and other trade matters. If the New York office that it is proposed to open will do no better for us, we had better save our money by not opening it. A big change should be made in the London office. The Minister told us that he had cabled to London for certain information, and had received no reply. We should insist on getting the information that we need. We pay so much for the upkeep of the High Commissioner's Office that we should expect from that office results which would assist in the building up of our industries.

Mr. MAHONY.—Will you move an amendment to bring that about?

Mr. GREGORY.—When we come to the Estimates, I am prepared to take action.

Mr. MAHONY.—Any other time!

Mr. GREGORY.—I like to deal with things on the proper occasion. Had the honorable member a greater knowledge of the proper working of Parliament, he would realize that the time for discussing this matter is when the Estimates are before us. I do not know why the "said agreement," which is referred to in the Bill, has not been added to it as a schedule. The butter producers desired an open market at Home, and sent representatives to England with the instruction to do the best they could to get it. Having failed, these representatives appear to have done the next best thing, with a view to obtaining a fair price for the butter exported. My desire is to keep our industry unhampered by Ministerial control. I have been told by persons connected with the dairying industry that when an endeavour was being made to arrange a price in connexion with a previous contract with the British Government, the butter producers of Victoria had their agent at Home, who was in consultation there with our Prime Minister (Mr. Hughes). The latter cabled to Australia asking for a free hand, and saying that without it he could not carry on the negotiations. He got a free hand, and, according to what I have been told—and I have reason to believe that it is true—he fixed a price considerably lower than that which was given for butter from other countries. I cannot conceive that the Imperial Government would wish to give us worse terms than other countries; and after the great sacrifices we have made,

we should insist upon receiving prices as good as, if not better than, those paid for commodities from other countries. But we cannot afford to lose the British market, to which the greater part of our butter has been sent for more than a decade, and the butter producers having said that they are content with the price that has been agreed upon, we should support the measure which sanctions their agreement. As I have said, I do not desire Government interference in the fixing of prices, or in the making of contracts for the sale of our commodities abroad. So far as possible, business men should be allowed to manage their own affairs. Ministers have quite enough to do in carrying on the ordinary administration of their Departments, and, in my opinion, should, as much as possible, keep their fingers off other people's business.

Mr. RILEY (South Sydney) [8.40].—The one object of the Bill is to control the exportation of butter. I understand that representatives of the farmers have entered into an agreement at Home for the sale of our butter there. If the Government was not consulted about that agreement, why has it brought in this Bill to sanction it? The honorable member for Dampier (Mr. Gregory) says that he does not desire Government interference or control, and I hope that the House will take him at his word by rejecting the Bill, and letting this agreement stand on its merits. I hope, too, that the honorable member will give effect to his views by his vote. Are none but the producers of butter interested in this matter? If a body of unionists made an agreement with, say, the boot manufacturers, to charge a certain price for their labour, while the manufacturers were to put up the price of boots 100 per cent.; would it be said that no one else was interested?

Dr. EARLE PAGE.—This is an export matter. Our contention now is similar to that of the Opposition last week when the Industrial Peace Bill was before the House.

Mr. RILEY.—You are asking for the sanction of Parliament to an agreement made on behalf of the butter producers. But the British Government might sell our butter at a profit of 10s. or 15s. a

cwt., and the object of the amendment is to secure in that case the world's parity to our producers.

Mr. MARR.—Suppose that the world's parity falls.

Mr. BAYLEY.—Then the butter producers will be thankful for this agreement.

Mr. RILEY.—I have heard my friends of the Corner party contend that the producers should get the London parity for their commodities. In the past they have been cheated of that, and have justly complained, and a strong farmers' party was sent into this House to look after their interests. I am afraid that that party is not doing so in this matter. They say that an agreement has been entered into for the sale of our butter at 240s. a cwt. But it is not provided that, should the British Government sell that butter at a profit, the producers here must benefit. We ought to protect our own people. There is another party to this matter, the consumers of this country, who ought to be considered.

Mr. STEWART.—In what way?

Mr. RILEY.—The people in the towns have helped to develop the country. The farmers depend on them for the supply of clothes, boots, implements, and other necessities. It is the people generally who have borrowed large sums to build railways and open up the country, thus assisting development and making it possible for the farmer to live and send his produce to market.

Mr. STEWART.—Does the honorable member deny that the farmers have paid their share of taxes?

Mr. RILEY.—Of course they have; but there are plenty of railways running into the country which do not pay interest on capital cost.

Dr. EARLE PAGE.—The railways do not pay because they have been built for the benefit of the city man.

Mr. RILEY.—Country railways are not paying, but city people have to make good the losses. I have been astonished at the coolness of some honorable members, who say, "Will you not give us the benefit of the world's parity for all our commodities?" Can you imagine a country such as this, which over-produces, being compared with a country which, throughout several years of war, has been

surrounded and nearly cut off by enemy vessels? Here, in Australia, we cannot get rid of all our produce; yet some honorable members seek to compare the Commonwealth with starving countries of the Old World. The idea behind the indorsement of this Bill by Parliament is to insure to producers good prices overseas for their commodities. Once this Bill is passed, producers will send away all the butter possible, and up will go the price to local consumers.

Mr. ROBERT COOK.—Now you have let the cat out of the bag.

Mr. RILEY.—Surely we should consider the consumer as well as the producer. I would not argue or protest against reasonable profits being secured to the producer. The dairy farmer leads a life of drudgery, and should be well paid for his produce; but for this Parliament to inaugurate a ring to send out of Australia what it chooses to describe as a surplus, suggests several questions, amongst which is, "Who shall say what is surplus?"

Mr. STEWART.—What advantage would there be for the primary producer to send too much butter overseas if he is receiving the same price in Australia?

Mr. RILEY.—But he would not be receiving the same price. If this Bill passes, only those who come into the agreement will be able to export butter, and these people will practically control export. Who are these controllers?

Mr. HILL.—They represent every man and woman, and every little "kid" who milks a cow from one end of the year to another, all over Australia.

Mr. RILEY.—Then we will take it that all these folk are interested in securing the best possible price for butter. If 5s. is the price in England these people will expect to get the same here; or they will say, "England is the place to which to send our butter," and, naturally, they will send their produce there.

Mr. HILL.—This Bill is designed to prevent that.

Mr. RILEY.—Who will prevent it?

Mr. HILL.—The Pool.

Mr. RILEY.—It will be to the interests of the Pool to secure the highest price available abroad, and sell at that price as much as possible of our Australian butter overseas. The Pool will see to it

that considerably more than what should be fairly regarded as surplus will be exported, and home consumers will not only be almost unable to buy butter, but will be required to pay a higher price than ever for such supplies as they can secure. Honorable members of the Country party say, "This is an honorable agreement; let us honour it." Do honorable members believe in honouring honorable agreements?

Mr. ROBERT COOK.—We do.

Mr. RILEY.—Then what about standing by the honorable agreement set forth in the Constitution for the building of the Federal Capital?

Mr. HILL.—We are prepared to stand by that, but we do not say when.

Mr. RILEY.—Here we have an honorable agreement, set forth in black and white in our Constitution. Honorable members will not admit that it is their intention to dishonour it, but they say, "Not now, oh Lord! but some time."

I hope the Minister for Trade and Customs (Mr. Greene) will see to it, that, if this Bill is passed, the interests of consumers will not be lost sight of, while those of the producers are specially conserved. Are the butter producers the only people to be considered? They are a hardworking honest body of men; but it is the manipulation of the middlemen that I fear. I cannot understand why honorable members should not accept the amendment of the honorable member for Hume (Mr. Parker Moloney).

Mr. MAHONY (Dalley) [8.54].—I have been struck by the lack of information supplied to the House. The Minister (Mr. Greene), in effect, threw the measure upon the table, and furnished no detailed explanation. He certainly made reference to an agreement. Honorable members examined the measure, and found that it all turned upon some agreement. The Minister's whole explanation had to do with that agreement, which, however, not one honorable member had seen. It was not until the Opposition had determinedly demanded the production of that agreement that it came to light.

Mr. GREENE.—But I told honorable members all that was in it.

Mr. MAHONY.—Last evening we heard honorable members in the corner talking about this agreement, and when

they were asked if they had seen it, and whether they knew what was in it, they had to admit that they knew nothing of what it contained. I hope the Government will take to heart the lesson that, when they introduce measures, they should furnish all the information at their disposal, and not merely say to honorable members, "You will have to swallow this, whether you like it or not."

Mr. AUSTIN CHAPMAN.—The Minister has another agreement, I understand.

Mr. GREENE.—No.

Mr. MAHONY.—If what the honorable member for Eden-Monaro hints is correct, it is an astounding revelation.

Mr. GREENE.—I assure the honorable member that there is no other agreement in the possession of the Government.

Mr. MAHONY.—Am I to understand that there is, in the possession of those two delegates overseas, some other form of agreement?

Mr. GREENE.—The honorable member must not take that view at all.

Mr. MAHONY.—It is time to protest. It is obvious that there is something behind this. The Minister is quibbling. He says the Government are not in possession of any other agreement, but when I tax him squarely with a query concerning whether or not the two representatives at the other end of the world are in possession of some distinctive and separate agreement, he sidesteps the issue. No explanation is offered. It is time we had a little more candour on the part of the Government.

Mr. GREENE.—It is time we had a little less suspicion on the part of the Opposition. I have told the House all I know.

Mr. MAHONY.—If that is so, the Minister does not know much. This Bill proposes to regulate the price of butter. While purporting to restrict export, it is, in actual fact, providing for export. So far as producers are concerned, it would appear that, unless they are prepared to export through a particular channel, and under certain circumstances and conditions as to price, marketing, and the like, not one ounce of their butter will go overseas.

Mr. MACKAY.—What does the honorable member mean by his "particular channel"?

Mr. MAHONY.—The particular channel provided for in the Bill. The agreement provides that the Minister must be satisfied that the butter is being exported by or with the consent of the Pool; in other words, only those who are parties to the agreement will be allowed to export butter, and all the producers who do not consider that the agreement gives them an opportunity for expanding their industry will be debarred. The attitude of the Country party is a complete negation of their claim to represent the primary producers. We have heard those honorable members demanding time after time that the producer shall have the world's parity for his goods.

Mr. ROBERT COOK.—So he should.

Mr. MAHONY.—So he should for his exportable surplus, and we are prepared to give the butter producer, or any other primary producer, the world's parity for the exportable surplus; indeed, we shall insist on his obtaining it.

Mr. ROBERT COOK.—Will you support a proposal to make the price of the exportable surplus 400s. per cwt., and give away the butter in Australia? Apparently, that is what you are working for.

Mr. MAHONY.—That is not so; but the honorable member and his colleagues are working to rob the people of Australia of as much as possible, and we refuse to allow them to do so. We on this side propose to assist the legitimate primary producer to get the world's parity for his surplus.

Mr. AUSTIN CHAPMAN.—Where is the extra money going to if the price rises?

Mr. MAHONY.—If the world's parity rises to 250s., the producer, under this agreement, will reap no benefit from the increased price for his exportable surplus. How can the Country party claim to represent the primary producer when they agree to a measure which will prevent him from obtaining the world's parity?

Sir JOSEPH COOK.—It is a good union agreement.

Mr. MAHONY.—It may be; but I wish to know whether what we have before us is the whole of the agreement, or only part of it.

Mr. GREENE.—I have said several times that it is the whole of the agreement.

Mr. MAHONY.—Those who pretend to represent the primary producers ought to give a little consideration to the trend of the world's affairs to-day. Over the

whole of Europe, there is a great demand for butter and other of our primary products, and the tendency is for prices, not to come down, but to increase. This is because the war practically stopped primary production in European countries, and there is a serious shortage in other parts of the world. Cannot the so-called representatives of the primary producers see the position into which they are leading those people? The moment this measure is passed, if the price goes to 300s., the producers of Australia will not receive one penny more than is provided in the agreement. But this is merely a repetition of the manner in which the primary producers have been treated right since the commencement of the war.

Sir JOSEPH COOK.—The primary producers of Balmain!

Mr. MAHONY.—I am speaking, not merely as the representative of a particular district, but as a public man endeavouring to take an intelligent interest in public affairs.

I want those honorable members who have so readily accepted the agreement to note that it provides that payment for the butter may be made "at any date after the butter has been in cold storage at the port of shipment for fourteen days." That means that the butter producers cannot be paid one penny before the lapse of fourteen days, and, further, in the absence of any fixed period, that they may be kept waiting for six months, or even twelve months, before receiving payment. Can we believe that the primary producers will accept such a condition?

Mr. GREENE.—If the honorable member understood the agreement, he would see that the producers will get their money every month in the way they have always got it.

Mr. MAHONY.—It is all very well for the Minister to make those remarks across the table, but all we have before us is the agreement and the Bill.

Mr. GREENE.—The agreement enables us to pay the money every month.

Mr. MAHONY.—The agreement prevents any payment under fourteen days, and, as I have pointed out, in the absence of any fixed period, the producer may be kept waiting even twelve months without having any claim on the Government.

Mr. GREENE.—Yes, they have a claim.

Mr. MAHONY.—If the Minister will point out in the agreement any clause to compel the Pool or the Government to pay the money at any particular period, I will admit my error; but all I find in the agreement is what I have stated. However, I leave the point for the so-called representatives of the primary producers to meditate upon, and in the meantime the real facts will be placed before the producers themselves for their consideration.

Sir JOSEPH COOK.—With big headlines in the *Worker*, I suppose.

Mr. MAHONY.—The *Worker* is a very good newspaper which circulates extensively amongst the primary producers of Australia.

Mr. GREENE.—I am glad the honorable member admits that he has been electioneering over this Bill.

Mr. MAHONY.—I have been doing nothing of the sort, and the Minister has no right to make the suggestion. If the Minister means that we are endeavouring to displace this middleman's Government from the Treasury bench, then he is right, and we shall take the first chance to do so.

Another provision in the agreement is that the seller shall accept all risk on the butter up to the time of shipment, except deterioration of quality due to length of storage. That means that the whole of the risks of the butter being destroyed by fire, flood, or any other disaster, must be borne by the seller, who is the primary producer.

Mr. CORSER.—It is the only business wav.

Mr. MAHONY.—It is not, because in the meat contract with the Imperial Government, towards the end of the war, the whole of the risks were accepted by that Government. Why are the members of the Country party not looking after the interests of the people they claim to represent? Why cannot the buyers of Australia's primary products take these risks?

Mr. GIBSON.—Does the honorable member think that it may be possible to effect the sale of our primary products to any other country under more advantageous terms than those which are embodied in this agreement?

Mr. MAHONY.—Unquestionably, I do. I believe that within six months of

the passing of this Bill there will be such an outcry from our primary producers that the honorable member will wish that he had never seen it.

Mr. GIBSON.—If that should happen the honorable member will occupy a very good position, but where will he be if prices should come down?

Mr. MAHONY.—Everybody recognises that the whole trend of events is for the price of commodities to rise.

Sir JOSEPH COOK.—The honorable member wants dear butter for the dockers.

Mr. MAHONY.—The Treasurer knows that I want nothing of the sort.

Sir JOSEPH COOK.—Then there is no meaning in the honorable member's argument.

Mr. MAHONY.—There is a lot of meaning in my argument. The middlemen who have our primary producers in the bag are desirous of grabbing the profits which will be made out of butter on the other side of the world. Consequently, the primary producer will be compelled to increase his price to the people of Australia. Under the agreement to which reference is made in the Bill, our butter will be exported to the Old Country and the producer will be bound to accept 240s. per cwt. for it. While he is receiving that price butter will probably be realizing 300s. per cwt. in the London market. What will happen then? The middlemen will step in, corner all our butter, and re-sell it to the public of Great Britain and of other countries at a huge profit, thereby robbing the primary producer of the price to which he is entitled. If members of the Country party cannot see that, they are not fit representatives of our primary producers.

Sir JOSEPH COOK.—The Balmain people will understand the honorable member's action in seeking to put up the price of their butter.

Mr. MAHONY.—They will understand that the Commonwealth Government are going to allow profiteers in Great Britain to make huge fortunes out of Australian butter just as they allowed them to make huge fortunes out of Australian wheat and wool.

Sir JOSEPH COOK.—The honorable member has been arguing for a solid hour in favour of dearer butter.

Mr. MAHONY.—I do not know that the primary producers of this country had an opportunity of approving this agreement.

Dr. EARLE PAGE.—Why does the honorable member think that?

Mr. MAHONY.—Because when I look down the list of the names of those who are to constitute this Dairy Produce Pool Committee I find there the names of middlemen and agents who have never produced an ounce of anything, except hide and impudence, in their lives.

Sir JOSEPH COOK.—Does the honorable member think that a politician should criticise other people's hides?

Mr. MAHONY.—The Treasurer, no doubt, speaks from a wealth of experience upon that matter. Mr. Basche, for example, is an exporter and agent in Sydney. We know him to be one of the biggest middlemen in New South Wales to-day. Yet he is put forward as a representative of our primary producers. Then I should like to know who appointed the two delegates who have proceeded to Great Britain. Were the primary producers called upon to vote for their selection?

Mr. GIBSON.—Yes, through their organizations.

Mr. MAHONY.—Was a ballot-paper supplied to each member of those organizations with the names of the candidates upon it? Certainly not.

Mr. GREENE.—The honorable member is quite wrong. Every one of these men was selected by ballot.

Mr. MAHONY.—Why did not the Minister say so when he introduced the measure? He would have obviated a good deal of hostile criticism had he been candid upon the matter.

Mr. GREENE.—I told the House that every member of the Dairy Produce Pool Committee had been selected by the primary producers themselves. Probably the honorable member was not in the chamber at the time.

Mr. MAHONY.—Oh, yes, I was. As the representative of a large industrial constituency, I hold that the interests of trade-unions are wrapped up in the interests of our primary producers. So, too, are inextricably interwoven with the interests of our primary producers the interests of the workers in our cities. Only the aid of the latter makes it pos-

sible for our primary producers to export their surplus products. Without our seamen, our coal-miners, our dockers, and our shipbuilders it would not be possible for a single ounce of our primary products to be exported overseas. Consequently, we look to the primary producers to give us a fair deal, and we will then see that they get a fair deal in return. Our interests are absolutely identical. The genuine primary producer needs to keep his eyes open lest he should find himself in the bag of the middleman. To my mind, the acceptance or otherwise of the agreement which has been entered into with the Imperial Government should rest with our primary producers themselves. When the Bill reaches Committee I intend to move an amendment to the effect that the measure shall not become operative until it has been referred to our primary producers for an expression of their opinion upon it. Certainly middlemen should not be permitted to determine whether or not the proposed Dairy Produce Pool shall be established.

Mr. CUNNINGHAM (Gwydir) [9.27].—I listened with very great attention to the explanation given by the Minister for Trade and Customs (Mr. Greene) when submitting this Bill for our consideration, and I was indeed surprised to learn, as he unfolded his statement, that the agreement is not embodied in it. The measure contains nothing which will enable an outsider to grasp what was the intention of Parliament in assenting to it. For some considerable time there has been a tendency on the part of the Government to keep not only members of this Parliament, but also the people of Australia, absolutely in the dark concerning transactions carried out by it, and with its authority.

Mr. RYAN.—It has adopted a "keep-it-dark" policy.

Mr. CUNNINGHAM.—Precisely. I was under the impression that, with the conclusion of the war, these conditions would pass away, and that we should once more revert to the conditions which obtained in pre-war days, when everything was done in the most open manner possible. In this measure there is nothing to indicate the amount of the expenditure to which the Commonwealth will be committed if Parliament assents

to it. I think that we should be given that information. The Minister has stated that this Bill must be passed in order that money may be paid over. Is there any honorable member who has the faintest idea of the expenditure to which it will commit us? Possibly the Treasurer (Sir Joseph Cook) may have that information, but, if so, he has not seen fit to enlighten us upon the matter.

The Bill refers to an agreement which has not been embodied in it in the form of a schedule. Evidently that agreement has been forced upon the representatives of the producers by the Imperial authorities. We have been told that our producers applied to the Imperial authorities for an open market in Great Britain, and that the Government of that country refused to give it to them. Why? Is that the spirit of Empire? Are we to continue to be hewers of wood and drawers of water always, instead of partners in the Empire? It is an outrage on the people of Australia that their representatives should be forced into an agreement of this character. The people of Australia will have to take a determined stand against a continuance of this policy. We have our debts to meet, and why should we be exploited by the Government of Great Britain? We are pleased to find our friends in the Corner party in agreement with us when we say that the primary producers are entitled to fair conditions. Nobody realizes that better than do honorable members on this side of the House. My first recollection of dairy farming is of milking, when I was four years of age. It is the representatives of the middlemen on the Government benches who are responsible for many of the primary producers being in their present unfortunate position.

This Bill provides for the prohibition of the export of butter. I well remember the Minister for Trade and Customs (Mr. Greene) prohibiting the export of rabbit skins during the war, thereby robbing the trappers and graziers of hundreds of thousands of pounds. He forced the supplies into the hands of middlemen; the trappers and graziers were compelled to sell their rabbit skins at low prices to the manufacturers, who afterwards obtained his consent to export at the world's parity. They knew to a minute when the embargo would be lifted, and were

Mr. Cunningham.

able to buy in anticipation. They held stocks much larger than were required for any purposes of manufacture, such as hat-making, in Australia, and as soon as the embargo was lifted they exported their surplus, and made hundreds of thousands of pounds out of the unfortunate wage-earners and graziers. From past experience we know that we cannot trust the Government; they are allied to the middlemen. The money of the middlemen is behind the National party, and it is regrettable that the members of the so-called Country party, who were sent into Parliament to put down this sort of thing, should, day after day, vote to keep the Government in power. Read the pre-election speeches of honorable members of the so-called Country party and contrast them with the attitude they have adopted in the House.

Mr. HILL.—The honorable member is very much concerned about the Country party.

Mr. CUNNINGHAM.—I am not concerned about you, but I am about the men whom honorable members have taken down.

In view of the statement made in the House, that the primary producers were in favour of this agreement, I sent a telegram to a constituent, who is one of the largest butter producers in my electorate, and I have received this reply—

I have no knowledge of any such agreement, and I hope you will resist tooth and nail any agreement of that character which prohibits export or keeps the price at 240s. per cwt.

Sir JOSEPH COOK.—He is not in the union.

Mr. CUNNINGHAM.—He is a more solid unionist than any man who sits on the Ministerial side, and he stands for higher prices for his exportable surplus. I am prepared to supply honorable members with his name. The honorable member for Cowper (Dr. Earle Page), who interjects, belongs to the British Medical Association, a union that defies the Government. This is the first time that I have heard that a member of the British Medical Association is a primary producer.

Mr. GIBSON.—What has the honorable member to say about the honorable member for Yarra (Mr. Tudor), when Minister for Trade and Customs, placing an embargo on the export of butter, although the price was down to 1s. 3d. per lb.?

Mr. CUNNINGHAM.—What has that to do with this Bill? Honorable members are continually referring to the condition of affairs in Queensland. Can they tell why the Queensland Labour party, led by the present honorable member for West Sydney (Mr. Ryan), has at successive elections annihilated the Liberal party and the middlemen who are represented on the Government side to-day? The primary producers of Queensland registered their opinion of Labour government, and, after all, that is the best test.

I am very sorry indeed that we should be asked to agree to a Bill introduced in such a haphazard fashion; but I expect nothing business-like from the present Government. The Prime Minister (Mr. Hughes) has had no business training, not one per cent. of the business men throughout Australia have any time for him as a manager or arranger of business deals. The haphazard method in which this Bill is brought forward is only another evidence of the incapacity of the Prime Minister and those who keep him in power. There has been some reference to cable messages. I believe the honorable member for Cowper (Dr. Earle Page) said something about a cable he had up his sleeve, in which it is promised that the primary producers, of whom I am one, shall receive some amount above the fixed price if the market rises. If the producer is to receive the full world's parity, why embody in the agreement a fixed price of 240s. per cwt.? I am very pleased that the honorable member for Wimmera (Mr. Stewart) supports us when he states "that is all probability within the next six months the primary producers will regret having made this agreement." Is not such a statement from an honorable member on that side the strongest possible condemnation of the Bill? The honorable member for Eden-Monaro (Mr. Austin Chapman) has by interjection given a clear indication of what he thinks of the agreement. Then why persist with the Bill when honorable members admit that there is likely to be serious trouble and loss in carrying out the agreement?

I indorse the stand taken by the honorable member for Dalley (Mr. Mahony) in regard to the interpretation of

that clause of the agreement which says that the sellers "shall accept all risks to the butter up to the time of shipment, except deterioration of quality due to length of storage." Let honorable members be warned by our experience in working under a similar provision in connexion with the wheat sales. We were told that the wheat must be put into the Pool. As soon as we did that we lost control of it. So, too, when the butter goes into the Pool, the dairy farmers will lose control of it. It will be under the management of officials, and whilst the producers can do nothing, they must bear all the losses. If I am to be liable for losses, I wish to control my produce. Is there a business man in the country who would agree to allow his goods to go out of his control whilst responsible for all risks and losses? If there is such a man, he will not remain in business long. Many primary producers are in their present bad financial position because, unfortunately, they have listened to the glib tales of those who represent the middlemen on the Treasury bench; and they have not been able to enforce business deals from the Government that has persecuted them during the last four years. We have only to look at the result of Nationalist administration in New South Wales; the last elections are eloquent upon that point, and what is true of New South Wales will be true of other States as soon as the people have a chance of voting intelligently as to who shall represent them in Parliament. If there had been in operation an electoral system which would have given the people a chance of registering an intelligent vote—

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter).—Order! The honorable member is going beyond the scope of the Bill.

Mr. CUNNINGHAM.—It is because the Government have not exercised business acumen in conserving the interests of the primary producers but have used the powers given to them during war time for the advantage of the middlemen, that honorable members who represent the producers, such as the honorable members for Calare (Mr. Lavelle), Werriwa (Mr. Lazzarini), Hume (Mr. Parker Moloney), Angas (Mr. Gabb), and myself,

desire a discontinuance of the Government's present arbitrary powers, and the withdrawal and recasting of this Bill in the terms of the amendment. We desire the primary producers to obtain the world's parity for their exportable surplus, so that the greatest possible amount of money may be coming into the country, instead of, as has been the case during the last four or five years, the interests of the Australian producer being made subservient to the interests of the people of other countries, to the detriment of the whole of our people.

Mr. AUSTIN CHAPMAN (Eden-Monaro) [9.45].—I am in somewhat of a dilemma in connexion with this Bill. I represent probably the biggest butter-producing district in New South Wales. It is certainly the district in which the best butter is produced, although the greatest quantity may not be produced there. This Bill is based upon an agreement about which we knew nothing when the measure was introduced. Information concerning it has had to be extracted from the Minister for Trade and Customs (Mr. Greene) as a dentist extracts a tooth. We are told now that there is an addendum to the agreement. I remember that while we were able to make an agreement with regard to the sale of our wool, we discovered, later on, that tremendous profits were made by its re-sale abroad, which should have been returned to our wool producers. It seems to me that we are almost bound to ratify this butter agreement; but I am rather afraid that the dairymen of this country will be placed in the same position as our wool-growers were placed under the wool agreement.

We have been led to believe that the agreement has been made by representatives of the dairy farmers of this country; but the honorable member for Gwydir (Mr. Cunningham), who is himself a primary producer and a dairy farmer, judging from his speech, had no knowledge of the making of this agreement. He expresses doubt as to whether it represents the views of the primary producers. I am satisfied that the honorable member believes what he has said, and speaks honestly in the interests of the producers of this country. We have been informed that the agreement was brought about by representatives of the dairy far-

mers assembled in conference, and elected by the primary producers, and that the Bill is intended practically to ratify what they have done, and to compel the dairy farmers of Australia to keep the conditions of the agreement. If that be so, what are we to think of the remark that the agreement was practically made before the representatives of the primary producers got to the Old Country? The Minister for Trade and Customs (Mr. Greene) shakes his head, but that does not appear in *Hansard*; and I want some assurance to be recorded in *Hansard* that the agreement is one between the dairy farmers of Australia and the Food Controller in Great Britain.

Mr. GREENE.—That is so.

Mr. AUSTIN CHAPMAN.—If that is so, how does the Minister account for the fact that a cable has been received to the effect that it is probable that a higher price than 240s. per cwt. will be paid for our butter?

Mr. GREENE.—No cable to that effect has been received by the Government.

Mr. AUSTIN CHAPMAN.—Or by anybody?

Mr. GREENE.—Or by anybody, so far as I know, beyond this: That I believe that there are some negotiations going on at the present time in England between the representatives of the dairymen and the British Government as to an increase of price.

Mr. AUSTIN CHAPMAN.—This House should know exactly what is being done.

Mr. GREENE.—I have not that information in any official way. I have no official paper to show honorable members that that is the case. All I know is what has appeared in the press.

Mr. AUSTIN CHAPMAN.—I accept the Minister's statement, of course; but there is a member of the House who says that he has received such a cable.

Mr. GREENE.—He may have received a cable.

Mr. AUSTIN CHAPMAN.—I am satisfied, from what has been said, that the price obtained will be over 240s. per cwt. I understand that the cable received says that it will be at least 250s. per cwt. If that is so, I want to know where the extra 10s. per cwt. is going. I do not want the dairy farmers to have

to fight for it as the wool-growers have had to fight for the extra price received for their wool.

MR. GREENE.—I can tell the honorable member at once that if the British Government pay more than 240s. per cwt. for the butter every penny in advance of that price will go into the Dairy Produce Pool, and the committee controlling that Pool will in turn pay it to the producers of the butter.

MR. PARKER MOLONEY.—This Bill will prevent that.

MR. AUSTIN CHAPMAN.—The Minister's statement satisfies me, but the House should have had that information before.

MR. PARKER MOLONEY.—How can that be done when the price is fixed by the agreement at 240s. per cwt.?

MR. AUSTIN CHAPMAN.—I have good reason to believe that although the price has been fixed at 240s. per cwt., there is an understanding equivalent to an agreement that the price paid will be more than 240s.

It is a bad thing that the British Government should be accused of squeezing the primary producers of Australia as they have been accused in connexion with the operations of the Wool Pool. That must create a feeling of unrest. No one can accuse me of not being absolutely loyal, of not standing by the Empire, or of not playing the game, but I am quite prepared to ask what right the British Government have to say to the producers of butter, wool, or wheat in Australia that because they have control of transport they will take from them some of their hard-earned profits. They are not entitled to do anything of the kind, and if we had business men conducting the arrangements it could not occur. That it has occurred must be the result of bungling. If an extra price is paid, the farmers have a right to get that price, less the expense of placing the butter before the British consumer. I am glad to have the assurance of the Minister for Trade and Customs (Mr. Greene) that the butter producers of Australia will get that price.

MR. MAHONY.—Does not the honorable member see that if this Bill is passed that cannot be done?

MR. GREENE.—That is not so.

MR. MAHONY.—It is so. The Minister's word cannot override the provisions of an Act of this Parliament.

MR. AUSTIN CHAPMAN.—The Bill has yet to go through Committee, and we can there provide that this shall be done. We have the assurance of the Minister, and, generally, that is good enough.

MR. MAHONY.—I do not think so.

MR. AUSTIN CHAPMAN.—That is my experience, at any rate. I am assured that the agreement was made by representatives of the dairymen, and in their interests. I accept the assurance of the Minister that the best price will be obtained. We all know Mr. Sinclair, and know that he will do the best that he can for the dairymen. I am assured that whatever price is obtained, that price, less expenses, will go to the man who produces the butter, and that satisfies me. I regret that so much time has been taken up in debating the Bill, because information in the possession of some honorable members was not given to the House generally. We are not playing marbles, but are dealing with one of the great primary industries of Australia. The dairy farmers work late and early. They have no holidays, no furlough, and no overtime, and they are subjected to all sorts of innuendoes about the treatment of those they employ. We have had a reference to the treatment of dairymen's children, which is an infamous libel and slander upon them. I can take the children in my district, and in the district of Richmond, represented by the Minister for Trade and Customs, and the district represented by the honorable member for Gwydir (Mr. Cunningham), and compare them with some of the children of the city. That is the answer to such slanders. There are, no doubt, taskmasters in the country as well as in the cities, but country children will compare more than favorably with city children, and they enjoy the advantage of God's pure air which is not enjoyed by the children of the cities. When we come to consider the Bill in Committee, we can make sure that the best price will be obtained for our butter, and will go to the primary producer. It is a practical certainty that the price will increase, because the price of everything is on the up grade. The consumer should be given consideration, as he has a pretty hard time as well as the producer. He

can afford to pay higher prices because he is getting double wages. Getting more wages, he expects to have to pay higher prices. I have no desire to be captious concerning the Minister, but he did not treat honorable members well in introducing the Bill.

Mr. GREENE.—I gave the House every scrap of information in my possession.

Mr. AUSTIN CHAPMAN.—Did the Minister not know about the cable that has been referred to?

Mr. GREENE.—No. All I knew was what appeared in the press, and I could not treat that as official information in putting the Bill before the House. I might have referred to it, but I had no official information, and that is why I did not mention the matter. I felt that a Minister dealing with a question of this sort should confine himself to what he can confirm by his official records. All that information I gave the House.

Mr. AUSTIN CHAPMAN.—I think it is a pity that the Minister did not take the House more fully into his confidence, as the matter is one of vital consequence to an important section of the community and to a number of honorable members.

Mr. LAZZARINI.—What will be the use of an agreement fixing the price at 240s. per cwt. if the price is to be raised?

Mr. AUSTIN CHAPMAN.—I presume that, as a representative of the primary producers has received a cable to the effect that a higher price will be given, that cable will be produced when we get into Committee, and we shall know what we are doing. I shall take a very different stand if it is not produced, because I have no desire to vote in the dark.

Mr. LAZZARINI.—It is said that 250s. per cwt. may be given now, but the price might be 270s. six months hence.

Mr. AUSTIN CHAPMAN.—We have an agreement entered into by representatives of the primary producers for a price of 240s. per cwt. We are given to understand that that is not to be the maximum price, and that, if any higher price is paid, the dairy farmer will get it. That is surely what honorable members opposite have been contending for.

Mr. GREENE.—I can show honorable members when we get into Committee how the farmer must get every penny obtained for the butter. We do not handle it in any shape or form.

Mr. AUSTIN CHAPMAN.—There should be some provision in the Bill which will make it quite certain that 240s. is not to be accepted as the maximum price, and that what will be paid will be the London parity.

Mr. GREENE.—I shall be able to explain that.

Mr. AUSTIN CHAPMAN.—I am very glad to hear it. I do not wish to find fault, because I have had trouble in explaining Bills myself. I intend to support the second reading.

Mr. MAHONY.—What about the amendment? Does that not provide for the world's parity?

Mr. AUSTIN CHAPMAN.—I will take that hurdle when I come to it.

Mr. MAHONY.—The honorable member must take it now.

Mr. AUSTIN CHAPMAN.—It seems to me that we are in a cleft stick. We must ratify the agreement.

Mr. LAVELLE.—Why?

Mr. AUSTIN CHAPMAN.—Because it was made by representatives of the primary producers, and we must assume that they are better able to look after their interests than we are.

Mr. LAVELLE.—I do not think that it was made by representatives of the primary producers.

Mr. AUSTIN CHAPMAN.—We have the assurance of the Minister for Trade and Customs, and we know that delegates were sent Home.

Mr. RYAN.—This Bill does not ratify any agreement.

Mr. AUSTIN CHAPMAN.—No; but it enables the agreement to be kept. It does the very thing which the honorable member for West Sydney (Mr. Ryan) has stood so firmly for in order to avoid trouble and dissatisfaction where people have not been compelled to carry out something that has been arranged. The purpose of this Bill is to prevent persons who have done nothing to bring about the agreement securing an advantage over those who have agreed to it. I accept the Minister's assurances, and will vote for the second reading of the Bill, whilst I reserve to myself the right in Committee to see that those assurances shall be given effect. I take it that that is all that honorable members opposite are asking for.

Mr. RYAN (West Sydney) [9.57].—I wish to say a few words in support of the amendment moved by the honorable member for Hume (Mr. Parker Moloney). I congratulate him on the form of the amendment, which seems to admirably meet the difficulty that confronts honorable members in view of the fragmentary way in which the Minister for Trade and Customs (Mr. Greene) dealt with the question of the agreement that is alleged to have been made with the Food Control authorities in England and representatives of the dairying interests who were sent Home. The amendment proposes that the Bill should be withdrawn for the purpose of recasting and immediate re-introduction with suitable provisions to insure that the butter producers of Australia shall be guaranteed a return for their exportable surplus butter at a price which shall not be less than the world's parity for butter during the period in which such exportable surplus is disposed of. A great many of the speeches delivered during the debate remind me of the fact that some years ago when in Parliament I was quoting the speech of an honorable member delivered some years previously, he interjected, "That is my speech, but how did I vote?" That is what is happening in this House at the present time. We have listened to a number of speeches from members in the Ministerial Corner proclaiming that they stand for the primary producer, and are absolutely against any interference by the Government, and their votes directly will show that they stand for giving the Government a control that has never hitherto been given to any Government that has held office in Australia. They will give the Minister for Trade and Customs the power, not to prohibit the export of a particular commodity in the interests of the Commonwealth, but to prohibit it, except under certain conditions, to direct it into a certain channel. Under section 112 of the Customs Act, as it stands, the Governor-General has power by proclamation to prohibit the exportation of any goods "the exportation of which would in his opinion be harmful to the Commonwealth." He has that, amongst other powers, with regard to prohibiting the export of goods, and under it various proclamations have been issued prohibiting exports in order to

allow of a proper supply being retained for local consumption.

Mr. GREENE.—When?

Mr. RYAN.—The honorable member ought to know. Section 112 gives power to issue such a proclamation, but there is no provision in the Act to enable the Minister to direct exports into some particular channel. That is what this Bill proposes to do. It does not ratify any agreement. There is not one word in the Bill which would have that effect, but there is in it clauses which will give the Minister power to prohibit the export of butter, except with the approval of a certain committee.

Mr. AUSTIN CHAPMAN.—Is that not ratifying the agreement?

Mr. RYAN.—No.

Mr. AUSTIN CHAPMAN.—It is as good as ratifying it.

Mr. RYAN.—How can we ratify an agreement when we do not know what that agreement is. I listened with considerable interest to the honorable member, because I know that he represents a constituency in which there are many dairy farmers. I remind him that it has been pointed out that there is an agreement, duly signed, fixing the price of butter at 240s. per cwt.

Mr. AUSTIN CHAPMAN.—As the minimum.

Mr. RYAN.—No mention is made of that price being the minimum. The price is fixed at 240s., but we are vaguely told that some one in the House has a cablegram from somebody on the other side of the world to the effect that the primary producers here may receive for their butter an additional 10s. per cwt. I want to see that cable. I want to know from whom it comes, and to whom it is directed. We have had already too much unbusiness-like management of the affairs of the country. We have had wretched alleged agreements with regard to the sale of wool and wheat, and we now have the same vague kind of thing brought before the House, and are asked to approve of a measure, in the absence of any definite information. Surely the Minister (Mr. Greene) has heard of this cable.

Mr. MATHEWS.—The Prime Minister (Mr. Hughes) can always get a cable when he wants one.

Mr. RYAN.—I know that in that respect the Prime Minister is an expert,

but I do not place the Minister for Trade and Customs on the same level. If some honorable member has received a cablegram, will he not be good enough to produce it for our information? Is it in the possession of some member of the Country party? Will the Country party be good enough to tell us from whom it comes? Later on, we shall be told about the cablegram, and a wrangle will take place as to the distribution of the money. Since the Minister is prepared to go so far as to tell us that there are some negotiations proceeding with the Imperial authorities with regard to a modification of the agreement, would it not be as well to stay his hand until the completion of those negotiations?

Mr. GREENE.—No, it would make no difference. The Bill will apply to the agreement, whether it is altered or not.

Mr. RYAN.—I do not think it will make any difference, since the Bill has nothing whatever to do with the agreement. The word "agreement," which appears in it, is only a piece of camouflage. What this Bill is intended to do is to force the producers of butter to export their produce through a certain channel, whether they like it or not. It matters not what the agreement is. Why do not honorable members of the Corner party admit that that is so? This is simply a proposal to give the Minister power to prohibit the export of butter.

During the course of the debate we have heard some very cheap criticism of the Labour party. Having regard to the suggestions that have been made with respect to the commandeering of butter in Queensland while I held office as Premier of that State, I should like to remind the House that when the Queensland Government took control of the butter that was in cool storage there the Government itself exported it, sold it to Great Britain, and handed back to the producers the surplus that was realized. The producers received some tens of thousands of pounds.

Mr. GREENE.—The whole of the surplus?

Mr. RYAN.—The whole of it. They received some tens of thousands of pounds, and I say without fear of contradiction that the butter which was then sold in London, by the Queensland Government, on behalf of the primary producers of that State, realized a higher price than that which was sold by the Commonwealth.

As a proof of the confidence of the primary producers of Queensland in that Government, and particularly of the confidence of the butter-producing districts, I may say that when, subsequent to that transaction, we faced the electors, in March, 1918, we increased our numbers. When I resigned the Premiership of Queensland the State Government was supported by a majority of the primary producing constituencies. It was supported by all the sugar-producing constituencies with one exception, and by a majority of the dairy farming districts. The honorable member for Wide Bay (Mr. Corser) knows that that is so. He knows, also, that my statement with regard to the export of butter by the Queensland Government is true. How is it that honorable members will deliberately make misstatements in regard to these matters? The honorable member for Robertson (Mr. Fleming) said that some of his acquaintances ran away from Queensland—

Mr. FLEMING.—The honorable member does not say that that is a misstatement?

Mr. RYAN.—I ask the honorable member to give the names of his friends who ran away from Queensland.

Mr. FLEMING.—I can give them to the honorable member privately.

Mr. RYAN.—The honorable member, in view of the public statement made by him, ought to give them publicly. The population of Queensland has increased to the extent of 40,000 or 50,000 since Labour has held office there.

Mr. FLEMING.—Did the honorable member expect these people to remain in Queensland when his Government took their meat from them?

Mr. RYAN.—I am very glad that that interjection has been made, since I desire to refer very briefly to the Labour party's policy in respect of primary products for local consumption and the exportable surplus. The Labour party has always stood for giving the primary producer a fair return for his products. They stand for giving him a price for his products that is based upon the cost of production plus a reasonable profit.

Mr. STEWART.—How are you going to arrive at what is a fair return?

Mr. RYAN.—Just as we arrive at what is a fair thing in respect to all other matters. This is from the official policy declaration.

ration of the Labour party at the last Federal election—

The situation in Australia to-day demands a broad, virile policy of development. Production must be increased. Our primary and secondary industries must be encouraged and placed upon a proper footing. In this way only can Australia become great and self-contained and take her place among the nations of the world. We shall stimulate production, and with that object in view we shall guarantee to the producer a return which will secure to him a price for his products that will cover the cost of production and allow a reasonable margin of profit.

The Labour party has never stood for anything else. If the policy of the Federal Labour party were carried out as the State Labour party's policy is carried out in Queensland the primary producer would receive a better price for his products, and the consumer would get his products at a more reasonable rate. The honorable member for Robertson made an interjection with regard to meat. If the exporters of meat were given the full world's parity for the exportable surplus, then, even allowing for the price which was paid to the meat companies of Queensland for meat for local consumption, there would be a better return to the producers of meat, and the local consumers would be provided with meat at more reasonable rates.

I entirely agree with the honorable member for Dampier (Mr. Gregory) that the High Commissioner's office should be used in the interests of the primary producers of Australia.

MR. DEPUTY SPEAKER (Hon. J. M. Chanter).—Order! That matter is outside the amendment.

MR. RYAN.—I think I shall be able to show you, sir, that it is not. The amendment proposes that the Bill shall be withdrawn and its provisions recast, so that the primary producers shall not get less than the world's parity for their exportable surplus. I want to show the workability of that amendment. If the High Commissioner's office were used as it ought to be, this would become a really workable provision. I do not wish to refer to the matter except to show that the High Commissioner's office could be so used as to insure our primary producers receiving the world's parity for their exportable surpluses. This is no new idea so far as the Labour party is concerned. The Labour party has always expressed the same view. Let me read to the House this further official

pronouncement on the part of the Labour party to the people of Australia—a pronouncement made long before the introduction of this Bill—

We shall take steps to provide overseas world markets for the sale of exportable surpluses. The machinery of the High Commissioner's office in London will be used for giving direct effect to this policy. We shall extend our operations to other countries, including the United States of America. The functions of the Commonwealth Bank will be extended to provide for a liberal system of rural credits.

That shows, whatever honorable members opposite may say, that we have a really practical, well-thought-out, business policy for the primary producers of this country, and not some mere haphazard proposal such as that now thrown on the table of the House, with the result that we find members of the Corner party trying to excuse their votes.

SIR JOSEPH COOK.—How does the honorable member reconcile the amendment, which provides that the butter producers shall obtain the world's parity for their exportable surplus—and, therefore, all the profit that can possibly be obtained—with the proposal in the Labour party's programme that they shall be allowed a reasonable profit?

MR. RYAN.—The right honorable gentleman could not have been listening attentively, because I have already pointed out that this party stands for the local consumer, in a country which produces large quantities of a staple commodity for the people, receiving the product at a reasonable price. I defined a reasonable price as one based on the cost of production, plus a reasonable profit, and stated that, in connexion with any exportable surplus, the producers are entitled to the world's parity. That is what this amendment stands for, and that is the Labour policy as I administered it when Premier of Queensland. I do not intend to delay the House any longer; but I trust honorable members will think very carefully before they cast their votes in opposition to the reasonable amendment moved and so ably explained by the honorable member for Hume (Mr. Parker Moloney). No harm will be done in adopting the amendment, and if our friends in the Ministerial Corner are really in favour of giving the producers the world's parity for their exportable surplus, this is their opportunity to do it.

Mr. ROBERT COOK.—We have been thinking of that for the past six months, and the honorable member has been thinking of it for only the past six hours.

Mr. RYAN.—Perhaps I could do in six hours what the honorable member would take six months to do. If it is gentlemen of the calibre of the honorable member who has just interjected who have been making agreements of this character, I can quite understand the statement made by the honorable member for Wimmera (Mr. Stewart) that the dairy farmers may yet regret the action that has been taken.

Question.—That the words proposed to be omitted stand as printed—put. The House divided.

Ayes	32
Noes	12

Majority	20
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AYES.

Atkinson, L.	Hill, W. C.
Bamford, F. W.	Lister, J. H.
Bell, G. J.	Mackay, G. H.
Blundell, R. P.	Marr, C. W. C.
Bruce, S. M.	McWilliams, W. J.
Cameron, D. C.	Page, Dr. Earle
Chanter, J. M.	Poynton, A.
Chapman, Austin	Prowse, J. H.
Cook, Sir Joseph	Rodgers, A. S.
Cook, Robert	Ryrie, Sir Granville
Corser, E. B. C.	Smith, Laird
Fleming, W. M.	Stewart, P. G.
Foster, Richard	Wise, G. H.
Gibson, W. G.	
Greene, W. M.	
Gregory, H.	
Groom, L. E.	

Tellers:

Burchell, R. J.
Story, W. H.

NOES.

Charlton, M.	Moloney, Parker
Considine, M. P.	Ryan, T. J.
Cunningham, L. L.	Watkins, D.

Tellers:

Mathews, J.
Riley, E.

PAIRS.

Watt, W. A.	Anstey, F.
Bowden, E. K.	Blakeley, A.
Jowett, E.	Nicholls, S. R.
Lamond, Hector	Catts, J. H.
Livingston, J.	Page, James
Hughes, W. M.	Tudor, F. G.
Jackson, D. S.	McGrath, D. C.
Maxwell, G. A.	Makin, N. J. O.
Marks, W. M.	West, J. E.
Best, Sir Robert	Maloney, Dr.
Bayley, J. G.	Mahon, H.
Francis, F. H.	Fenton, J. E.
Higgs, W. G.	McDonald, C.

Mr. GREENE (Richmond—Minister for Trade and Customs) [10.23].—It is not my intention to delay the House for any time, as many of the matters to which reference has been made can be fully dealt with when the Bill is in Committee. During the debate, the question has been frequently asked: What is the object of the Bill? There is an agreement, the general terms of which I gave in my second-reading speech, although I did not read the whole document to the House. Three-fourths of the criticisms that have been directed against the measure have been more or less irrelevant, as they had nothing whatever to do with the Bill. I am at a loss to know what to say under the circumstances, because I presume that, notwithstanding the fact that I gave the House the whole of the information, we shall have the same repetition when the Bill is in Committee, and I shall again be asked why it was necessary to introduce legislation on these lines. The Bill has been introduced, as I have already stated, because the direct representatives of the producers elected by their organizations in exactly the same way as union representatives are elected, decided the procedure that has been adopted. The representatives of the primary producers have agreed to sell to the British Government our exportable surplus of butter, but the British Government will not own it; and, as an arrangement has been entered into to sell the exportable surplus, there must be some means of controlling it after it is sold. The understanding at the conference, and which I have already mentioned to honorable members, was that it was for the representatives attending to say whether a contract should be entered into, and, if so, on what terms the surplus was to be handled. It was clearly stated that the Government did not want to have anything to do with the matter; but the representatives of the producers were informed that, if they decided to sell their surplus under a contract to be entered into, the Government would do whatever was necessary to support them.

Mr. MAHONY.—Would not the agreement be sufficient to do that?

Mr. GREENE.—I have already shown that it would be impossible to have proper control, and to carry out the con-

Question so resolved in the negative.
Amendment negatived.

tract, without legislation similar to this. The dairy farmer, as every one knows, needs financing, and he usually requires his cheque monthly. The honorable member for Dalley (Mr. Mahony) referred to the producers being kept waiting for twelve months for their money, but that is absurd rubbish. The moment the butter comes under the control of the committee, and is made available for export, arrangements are made for the Commonwealth Bank to make an advance to the producer. He has not to wait even fourteen days. It is the British Government which is allowed fourteen days' grace, and, if the money is not forthcoming within that time, under the terms of the agreement interest at the rate of 6 per cent. is charged.

Mr. MAHONY.—Why did not the Minister make that explanation before?

Mr. GREENE.—I covered the whole ground, and it is more than likely that at the time I was submitting the information to the House honorable members were not listening. When it was decided that it would be in the interests of the party to make a political flutter on this question, honorable members opposite endeavoured to do so, and took the opportunity of speaking to the electors instead of discussing the Bill. The honorable member for Eden-Monaro (Mr. Austin Chapman) raised the point as to what will be done with the additional money in the event of the agreement being modified. In such circumstances the British Government will pay the additional money to the Dairy Produce Pool Committee, and the committee, knowing that the Government intend to pay an additional sum, will, instead of advancing 240s. per cwt., less actual storage charges, as is always done in handling butter for export, will advance up to 250s. per cwt. The Government, as such, will not handle sixpence of this money.

Mr. AUSTIN CHAPMAN.—What is the amount stated in the cable?

Mr. GREENE.—I have not seen the cable. All I know is what has appeared in the press, namely, that it is possible that the British Government may increase the price; beyond that I know nothing. In any case, the Australian producer, because of the manner in which this transaction has been operated from the

beginning, must get every penny that is received. The debate has made it obvious that what honorable members opposite desire, though not one of them had the courage to say so directly, is a low price for butter in Australia, and a big price for butter overseas.

Mr. RILEY.—I say that.

Mr. GREENE.—I am glad to hear one honorable member admit it. When I asked the honorable member for Hume (Mr. Parker Moloney) the question, he was not game to answer it. It did not suit him to do so.

Mr. PARKER MOLONEY.—I told you that it did not touch the question.

Mr. GREENE.—Honorable members opposite want to have butter sold in Australia at the lowest price possible, but do not care what the world pays for it. In an average year, three-fourths of our butter is consumed in Australia, and one-fourth is exported. Under these circumstances is it any wonder that neither the members of the Corner party nor those of the Nationalist party who represent the primary producers will trust the Labour party in this matter?

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1—

This Act may be cited as the Butter Agreement Act 1920.

Mr. MAHONY (Dalley) [10.34].—I move—

That the following words be added—"and shall not become operative unless and until the said agreement and proposal to give the Governor-General power to prohibit the exportation from the Commonwealth of the exportable surplus of butter has been referred to the butter producers for their expression of opinion thereon."

I want to take the earliest opportunity of having a vote recorded on this proposal.

The CHAIRMAN (Hon. J. M. Chanter).—The amendment is not applicable to the clause, which deals only with the short title of the Bill. I suggest that the honorable member should embody his proposal in a new clause.

Mr. MAHONY.—Then it cannot be dealt with until the clauses of the Bill have been considered?

The CHAIRMAN.—That is so.

Clause agreed to.

Clause 2—

The Governor-General may by proclamation prohibit the exportation from the Commonwealth of any butter produced in Australia on or after the first day of August, One thousand nine hundred and twenty and on or before the thirty-first day of March, One thousand nine hundred and twenty-one, unless the Minister for Trade and Customs is satisfied that the butter is being exported by or with the consent of the Commonwealth Dairy Produce Pool Committee constituted in accordance with the regulations.

Mr. CHARLTON (Hunter) [10.36].—This is the main clause of the Bill. It provides that the Minister may prohibit the exportation of butter through any other channel than the Dairy Produce Pool. As I said on the second reading, while we are desirous that the producer shall obtain a fair price for the butter sold in Australia, we have to study also the interests of the consumer, and to do what is right between the parties. It is apparent that under the clause as it stands it would be possible to create a local scarcity of butter. The Dairy Produce Pool could regulate stocks, whether there was an abundant supply or not, by putting butter into cold storage, and arranging for steamers to export it, so that there would be only a limited supply for the local market, and could thus make the price of butter to the Australian consumer as high as that at which it is to be sold in Great Britain.

Mr. RYAN.—It could make it higher.

Mr. CHARLTON.—At any rate, it might not be less.

Mr. McWILLIAMS.—Is not that in practice what the coal vendor does?

Mr. CHARLTON.—If the honorable member refers to the combination of the proprietors, I have always said that that is wrong. While it is necessary to encourage the exportation of our surplus products, we should prevent manipulation at the expense of the local consumer.

Mr. GIBSON.—How would you do that?

Mr. CHARLTON.—I intend to move an amendment which would, I think, effect that. My only desire is to do justice between the consumer and the producer. The producer should get a fair price for his butter, and a better price than he has been getting in the past, because the cost of everything has gone up. He should be placed in as good a position as he occupied prior to the war. But we shall permit an injustice to our own people if we allow supplies to be so regulated by

the Pool that the local price of butter can be increased. That the public may have confidence in the Pool, and know that its interests are being looked after, and so that if anything is wrong there may be a voice to bring it under the notice of the public, I move—

That the following words be added:—"provided that the consumer shall have representation on such Committee."

Why should there be any objection to the appointment of some person to look after the interests of the consumers direct? The Minister (Mr. Greene) says he is prepared to look after their interests, but he has more than enough to do in his Department and cannot hope to attend the meetings of the Pool.

Dr. EARLE PAGE.—How many representatives does the honorable member suggest?

Mr. CHARLTON.—I would be satisfied if we had one representative who would have the right, as a member, to attend the meetings and see that fair play was given the consumer.

Mr. PROWSE.—Does the honorable member want the price regulated?

Mr. CHARLTON.—If this Bill is passed the price will be regulated.

Mr. HILL.—The honorable member does not fear that the price for local consumption will be above the world's parity?

Mr. CHARLTON.—I am afraid it may be.

Mr. HILL.—We want world's parity for home consumption.

Mr. CHARLTON.—If the public knew that they were directly represented on the Pool they would not worry about price. They would know that they would get a fair deal, while, at the same time, the producer was being rightly safe-guarded.

Mr. HILL.—Would the honorable member be satisfied if the Government assured him that the price of butter for home consumption would not be above London parity or the price which we would be obtaining overseas under this agreement?

Mr. CHARLTON.—That involves the very point which I am endeavouring to stress. I am trying to show that, as an outcome of the passage of this Bill, the price of butter will be practically fixed throughout Australia; and I am now asked by the honorable member for Echuca (Mr. Hill) if I would favour that. I hold that if the producer can secure

a return, adequate to compensate him, on the basis of the retail price of 1s. 6d., then the consumer should not be forced to pay 2s. 1d.

Mr. HILL.—For the past three or four months butter has been sold in Victoria at 1s. 4d. per lb. below actual cost of production. We want to make up some of that loss.

Mr. CHARLTON.—Undoubtedly the dairy farmer has undergone a period of trial; and in New South Wales, probably, his troubles have been more severely accentuated than in this State, chiefly owing to drought conditions. But the drought did not affect the whole of New South Wales, and it should be remembered also that there are periods of the year when the dairy farmer can produce butter in abundance.

Dr. EARLE PAGE.—It will take the whole of this year to pick up last year's losses.

Mr. CHARLTON.—I am not advocating that fair compensation should not be given the producer; but there are other interests also to be considered. So far as compensation is concerned, I would favour the Bill being so framed as to provide for the compensation of those who may suffer loss through drought and kindred causes. If this Bill is to establish a co-operative concern it should provide means by which the Pool could compensate those who suffer loss owing to adverse seasonal conditions. At present, however, I desire first to insure protection for the consumer.

Mr. PARKER MOLONEY (Hume) [10.48].—The amendment should commend itself to honorable members.

Mr. ATKINSON.—Here is a change of front. The honorable member was jeering last night when I proposed a somewhat similar amendment.

Mr. PARKER MOLONEY.—I do not wish to remind the honorable member that what he said last evening was, in effect, that he had not seen the agreement and was not concerned about it. In other words, he was going to vote blindly, as he always does. The amendment suggests a natural alliance between the producer and consumer. The alliance which the Government seeks to bring about by way of the agreement, and at which the so-called Country party connives, is an unnatural alliance between the producer and the middleman.

Mr. HILL.—The honorable member knows that that is not right.

Mr. PARKER MOLONEY.—It is right. I feel inclined to ask the honorable member for Hunter (Mr. Charlton) to agree to the addition of words to his amendment to provide for the elimination of the middleman. I repudiate the statement of the Minister (Mr. Greene) that the Labour party stands for high prices overseas and low prices here. The Treasurer himself has repeated that statement.

Sir JOSEPH COOK.—Many of your own side to-night have said so.

Mr. PARKER MOLONEY.—That is not so; but, whether it be said from this or the other side, it only shows that those who say it do not understand the Labour platform. No amount of quibbling by the Treasurer or the Minister can alter the terms of our manifesto, which I hold in my hand, and which is the final word on the matter. I am quite sure that the Treasurer and the Minister for Trade and Customs, when they are in the back country, always misrepresent what we stand for, but here we cannot allow them to do so.

Sir JOSEPH COOK.—I always quote you as saying you will allow the producer a fair profit, and that means that you will fix the profit.

Mr. PARKER MOLONEY.—I shall read the manifesto which the Treasurer does not understand; but which he is so good at misrepresenting.

The CHAIRMAN (Hon. J. M. Chanter).—This discussion is out of order on both sides.

Mr. PARKER MOLONEY.—I wish to quote the manifesto in repudiation of the statement made by the Treasurer and the Minister. The words are "We shall stimulate production—"

The CHAIRMAN.—Order!

Mr. PARKER MOLONEY.—"And shall grant to the producer—"

The CHAIRMAN.—Is the honorable member not inclined to obey the Chair? I have called the honorable member to order, but he insists on reading matter which is not admissible. He must confine himself to the amendment.

Mr. PARKER MOLONEY.—As I understand the amendment, it is proposed to give representation to the consumer.

The CHAIRMAN.—The honorable member is going into a different matter altogether.

Mr. PARKER MOLONEY.—It is in the interest of the consumer to show that the Minister's statement in regard to our policy as it affects the consumer is not a fair one.

The CHAIRMAN.—The Minister has made no such statement in Committee.

Mr. PARKER MOLONEY.—Even so, we are dealing with the matter from the point of view of the consumer, and I wish to show where this party stands in the consumer's interest.

The CHAIRMAN.—I again ask the honorable member to confine himself to the amendment.

Mr. PARKER MOLONEY.—Do you rule that I am not in order in discussing the consumer's point of view?

The CHAIRMAN.—I make no such ruling.

Mr. PARKER MOLONEY.—Then I presume that I shall be allowed to say what I believe in regard to the consumer's point of view, and what I do believe is contained in our manifesto, which says—

The CHAIRMAN.—Order! I have twice asked the honorable member not to pursue that course. The manifesto is outside the amendment before the Chair.

Mr. PARKER MOLONEY.—Then I am not allowed to speak about the consumer's point of view?

The CHAIRMAN.—Whatever the policy of a party may be outside the House has nothing to do with the amendment.

Mr. PARKER MOLONEY.—I wish to express my view, which is precisely the view expressed in the party's platform. Am I allowed to say, without quoting the words of the platform, that as a party, we propose to guarantee to the producer, in regard to the sale of his produce both overseas and here, a reasonable return based upon the cost of production?

The CHAIRMAN.—I again ask the honorable member to confine himself to the amendment, and the question whether the consumer is to have representation.

Mr. PARKER MOLONEY.—I am speaking from the consumer's point of view. The Treasurer and the Minister are grossly misrepresenting what we stand for as a party when they say that we are in favour of a high price overseas and a low one here.

Sir JOSEPH COOK.—The honorable member for South Sydney (Mr. Riley) says so, anyhow.

Mr. PARKER MOLONEY.—I do not care if a thousand Rileys say so; it does not affect our platform, but only shows that those who say it do not understand that platform. The policy of the party represents a natural alliance between the producer and the consumer. We have always stood for the principle of bringing the producer and the consumer together, and entirely cutting out the enemy of both, the middleman. There has been a vote registered to-night, and as a result it will go forth to the people that the particular party that came to this House—

The CHAIRMAN.—The honorable member is not in order in reflecting on a vote given in the House or in Committee.

Mr. PARKER MOLONEY.—All right. Something has happened in the House, and, as a result, it will be known to the people and the country in the future that a particular party—the so-called Country party—that came into the House pledged to wipe out the middleman, has voted to retain him.

The CHAIRMAN.—If the honorable member does not obey the Chair, I shall order him to discontinue his speech.

Mr. PARKER MOLONEY.—It is hard to obey the Chair with the shackles you are putting on me.

The CHAIRMAN.—Will the honorable member confine himself to the amendment?

Mr. PARKER MOLONEY.—When the amendment of the honorable member for Hunter has been carried, I shall propose an amendment to eliminate the middlemen.

Mr. GREENE (Richmond—Minister for Trade and Customs) [10.57].—I do not propose to accept the amendment, and for a very simple reason. There are now on the committee three direct representatives of the consumer. One is Mr. Hugh Sinclair, and he is a good representative of the consumer.

Mr. CHARLTON.—Surely you do not say that Mr. Sinclair represents the consumer?

Mr. GREENE.—Certainly.

Mr. CHARLTON.—He is one of the chief exponents of the dairying industry.

Mr. GREENE.—But he is a consumer. He does not represent the dairying industry, but he is a man who understands something about the industry. Then there is the Commonwealth Dairy Expert, Mr. O'Callaghan, a perfectly unbiased man, who has orders that if I am not present at a meeting of the committee he must be. If there is anything he considers it necessary to bring under my attention, in the interest of the public, he has orders to do so.

Mr. CHARLTON.—If you rely on Mr. Sinclair, the public will have a bad deal.

Mr. GREENE.—I am not relying on Mr. Sinclair, but I have every confidence in him; and Mr. O'Callaghan is a Government officer intimately acquainted with all the ramifications of the trade. If we picked up "the man in the street," and put him on this committee, it would take him six months before he knew what the members were talking about when they were dealing with the various ramifications of the industry.

Mr. CHARLTON.—The ramifications of milking a cow!

Mr. GREENE.—The committee discuss intimate trading matters, which require a good deal of training to understand.

Mr. CHARLTON.—Is not any sane man capable of discussing the question of storing butter in cool storage?

Mr. GREENE.—I come now to the question of storing butter. This is one of the most difficult questions which has to be dealt with. Its settlement requires a most intimate knowledge of the trade and a very complete survey of the position in the country, so that, unless a man has had a lifelong experience of the business, he does not know when he should start to store. Even then the best judges sometimes go wrong. Let me give the Committee just two instances of what I mean. The year before last, the committee decided that it was desirable to start storing operations very early. Consequently, they stored a lot of butter; but of the 30,000 odd cases which were stored in Victoria it was not found necessary to use one. We had a surplus of butter that year in this State. There is such a tremendous difference between the seasons that it is a most difficult thing to determine when the storing of butter should be commenced. It is the one

thing above all others that the man in the street cannot give any information about.

Mr. CHARLTON. — Does the Minister say that when there is an abundant supply of butter, and the man in the street is present at the meetings of the committee, and hears it making arrangements for storing that commodity, he has not sufficient intelligence to know whether the adoption of that course is right or wrong?

Mr. GREENE.—Nobody can tell what the season is going to be. To-day we may have an abundant supply of butter. But does the honorable member suggest that he can tell exactly the period when we should start to store it? Butter deteriorates with storage, no matter what the conditions of that storage may be. If we store butter for six months before we require to use it—

Mr. CHARLTON.—Under this agreement, would the suppliers lose by the adoption of that course?

Mr. GREENE.—Unquestionably, they would.

Mr. CHARLTON.—I do not think so.

Mr. GREENE.—I have no desire to occupy time unnecessarily. But let me explain why the producer would lose whilst the consumer would not gain anything. The price of butter depends upon its quality. The butter may be put in cold storage at 92 points. If it is stored at less than that there is not the faintest chance of it coming out in the best possible condition. But, instead of it coming out at 90 points, it would probably come out at 84. We should then have to put that butter into the Imperial Pool, and, instead of getting for it 2s. more than the 240s. per cwt., which is set out in the agreement, we should get 4s. less. The butter would be of such low grade that it would be idle to put it upon the local market. What is more, the six months' storage would make such a tremendous addition to the price of it that the consumer would not benefit in the slightest degree, because interest would have to be paid upon the butter for six months, plus the storage charges. That means that it would require to command such a price that the consumer would not look at it.

Now the aim of the men who are associated with the butter industry of this country is not to embarrass their own

business. It is to their interest to see that local requirements are fully met. After a close association with this trade, extending over a number of years, I say that the one thing to which co-operative societies have devoted more attention than any other is the arrangement of their storage in such a way as to insure that they will have a sufficient supply of butter during the winter months to meet the demands of their consumers. It does not suit them to run out of butter. They do not want the proprietary men to come in with stored butter and thus to secure their customers during the winter months. As the co-operative interests upon this Pool more than counterbalance the proprietary interests upon it, I am satisfied that it will follow the policy which has been followed for years by insuring that the consumer shall be fully protected.

Mr. RILEY (South Sydney) [11.7].—We have heard a good deal from the honorable member for Wilmot (Mr. Atkinson) in regard to an agreement—

Mr. ATKINSON.—The honorable member did not hear, because he would not listen.

Sir JOSEPH COOK.—We have heard a good deal about cheap bread and cheap butter.

Mr. RILEY. — Is the Treasurer against cheap bread and cheap butter? Nobody disputes the statement which has been made by the Minister for Trade and Customs (Mr. Greene): But surely the Government can appoint a man of sufficient ability to look after the interests of the consumer.

Mr. GREENE.—We have appointed Mr. Hugh Sinclair.

Mr. RILEY.—He is a man who is interested in the butter trade. How can he be an independent man?

Mr. BAYLEY.—We have to go to the trade to secure a man who possesses the requisite qualifications.

Mr. RILEY.—I know that the Minister for Trade and Customs has not time to watch over the export of butter. Why, then, do not the Government appoint a qualified man to look after the interests of the public?

Mr. GREENE.—We cannot get a better man for that purpose than Mr. O'Callaghan.

Mr. RILEY.—He is only one member of the committee. He is not there to re-

port upon the export of butter. He is there in the capacity of an expert upon the quality of butter. He is a most capable man. But we require upon the committee a representative of the consumer. No doubt there has been a lot of grumbling at various times about the price of butter in Australia. Sometimes when there has been an alleged scarcity of that commodity in Sydney the secretary of the cold storage depôt there has informed me that the place was full of butter. Of course, the object of creating an artificial scarcity is to put up the price. Under this agreement no man will be able to sell butter for export, except through the Pool.

Sir JOSEPH COOK.—The honorable member read in the press to-day that a minimum price is asked for coal, and a minimum wage for the worker; why should not the farmer also get a minimum wage?

Mr. RILEY.—I do not say that he should not, but there is a danger of gambling in butter.

Mr. GREENE.—Every time there has been a rise in the price since the Pool has taken control the Pool has known the whereabouts of every box of butter, and has always levied on the holders the additional price, and placed the money in the Pool.

Mr. RILEY.—If the Minister knows where every box of butter is, and there is more butter in Queensland than can be consumed in that State, why is New South Wales short of butter?

Mr. GREENE.—Federal control ceased, and the price rose to 240s. for export. The New South Wales Government would not increase the price for local consumption, and no butter was sent from Queensland.

Mr. RILEY.—Under this arrangement will the Government have control of local consumption?

Mr. GREENE.—No.

Mr. RILEY.—Then the Pool Committee will be able to export all the butter they choose, and there is no power in this Bill to compel them to retain sufficient for local requirements?

Mr. PROWSE.—Would the honorable member like to have representatives of the public on the labour tribunals?

Mr. RILEY.—On those Tribunals labour and capital are represented, and

the judge is an impartial person, who decides between the parties, and thereby represents the interests of the public. Under this arrangement, however, the judges are to be the butter producers. It is a one-sided arrangement, and the Government would do well to appoint a man to look after the interests of the Government and the consumer, and prevent the country being depleted of butter supplies in order to get high prices abroad.

Mr. ATKINSON.—How could the representatives of the public sway the committee to do this or that, when it will have the control of all the butter supplies?

Mr. RILEY.—We know that the average weekly consumption of butter is $\frac{1}{2}$ -lb. per head of the population. We are, therefore, able to calculate how much butter is required per week, and it would be easy to keep a supply for local consumption by means of cold storage.

Mr. ATKINSON.—But the producers cannot be made to supply the butter if they are not willing to do so.

Mr. RILEY.—The time has arrived for preventing any combination from manipulating the food supplies of the people. The amendment is fair and reasonable; it will improve the Bill, and give confidence to the public.

Mr. RYAN (West Sydney) [11.15].—I support the amendment, and I am surprised that the Minister (Mr. Greene) does not see the reasonableness of it. It is obvious that its purpose is to secure that the consumer shall be represented on the Pool. The Minister, when speaking on the second reading, referred to Mr. Sinclair as having gone to London as one of the delegates to represent the producers. Now he tells us that the same gentleman is to represent the consumers. It is difficult to know where the Minister stands. The Treasurer (Sir Joseph Cook) accused honorable members on this side of advocating low and cheap prices for the consumer. I do not like those terms, and, after all, it is by the use of misleading terms that a good deal of propaganda against the policy of the Labour party is carried on. As a student, I was taught that one should speak not only to be understood, but so that he cannot be misunderstood. I can quite understand what an honorable member, speaking from this side of the House,

means when he refers to low prices, and what a Ministerial member means when he uses the same term. It is a term that can be understood, but it can also be misunderstood, or if it is not misunderstood, it can be misrepresented. The policy of the Labour party is founded upon the emancipation of human labour from all kinds of exploitation. If the producer has to sell his commodity at less than the cost of production, his labour is being exploited. No member on this side of the House advocates that. We stand for reasonable prices, meaning thereby prices which will give the producer a reasonable return for his labour.

Mr. ROBERT COOK.—What is a reasonable return?

Mr. RYAN.—We all understand what that means. The producer must be recouped the cost of production, plus a reasonable profit. I rose to make our position clear, and to draw attention in *Hansard* to the tactics honorable members opposite use in order to furnish ground upon which they may subsequently misrepresent the Labour party. They do not misunderstand us, but they wish to lay the foundation of subsequent misrepresentation.

Question—That the words proposed to be added be so added—put. The Committee divided.

Ayes	14
Noes	29

Majority 15

AYES.

Atkinson, L.
Chapman, Austin
Charlton, M.
Considine, M. P.
Cunningham, L. L.
Francis, F. H.
Gabb, J. M.
Lavelle, T. J.

Lazzarini, H. P.
Mahony, W. G.
Ryan, T. J.
Watkins, D.

Tellers:

Moloney, Parker
Riley, E.

NOES.

Bayley, J. G.
Bell, G. J.
Blundell, R. P.
Bruce, S. M.
Cameron, D. C.
Cook, Sir Joseph
Cook, Robert
Corser, E. B. C.
Fleming, W. M.
Foster, Richard
Gibson, W. G.
Greene, W. M.
Gregory, H.
Groom, L. E.
Hill, W. C.

Jackson, D. S.
Mackay, G. H.
Marr, C. W. C.
McWilliams, W. J.
Page, Dr. Earle
Poynton, A.
Prowse, J. H.
Rodgers, A. S.
Ryrie, Sir Granville
Smith, Laird
Stewart, P. G.
Wise, G. H.

Tellers:

Burchell, R. J.
Story, W. H.

PAIRS.

Anstey, F.	Watt, W. A.
Blakeley, A.	Bowden, E. K.
Nicholls, S. R.	Jowett, E.
Catts, J. H.	Lamond, Hector
Page, James	Livingston, J.
Tudor, F. G.	Hughes, W. M.
McGrath, D. C.	Jackson, D. S.
Makin, N. J. O.	Maxwell, G. A.
West, J. E.	Marks, W. M.
Maloney, Dr.	Best, Sir Robert
Mahon, H.	Higgs, W. G.
Fenton, J. E.	Francis, F. H.
Mathews, J.	Bamford, F. W.

Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clause 3 agreed to.

Clause 4—

The Governor-General may make regulations, not inconsistent with this Act, for carrying out or giving effect to this Act, and in particular for prescribing the constitution of the Commonwealth Dairy Produce Pool Committee, and the method of election or appointment and tenure of the members thereof.

Amendment (by Mr. GREENE) agreed to—

That the words "and powers" be inserted after the word "constitution," line 4.

Clause, as amended, agreed to.

Mr. MAHONY (Dalley) [11.25].—I move—

That the following new clause be added:—

"This Act shall not become operative unless and until the said agreement and proposal to give the Governor-General powers to prohibit the exportation from the Commonwealth of the exportable surplus butter has been referred to the butter producers for their expression of opinion thereon."

I want to say briefly that my impression is that the man who actually works on the dairy farm has not been consulted in this matter. Other people have manipulated things in such a way that they have acted as delegates and decided the terms of the agreement. In order to make it absolutely certain that the primary producers themselves approve of the agreement and the Bill it is necessary that such a clause as I have moved should be inserted.

Mr. LAVELLE (Calare) [11.27].—I have much pleasure in seconding and supporting the very reasonable amendment proposed by the honorable member for Dalley (Mr. Mahony). I think that every member of the Committee is bound to support it. Honorable members should realize the necessity of giving the producers an effective voice in this matter. It has been said that the representatives

of the primary producers agreed to this course of action, but I maintain that that is not the case. I know that there are two so-called farmers' organizations in Australia—the Primary Producers Union, which represents a very small section of the farmers, and the Farmers and Settlers Association, which represents a very small section of the farmers, a fairly large section of graziers, and a very large section of commission agents. I know, also, that 95 per cent. of the farmers of Australia do not belong to either of these organizations. That being so, no man can honestly say that the primary producers were represented at the conferences composed of delegates from either of the organizations referred to. In order to get the views of the men most concerned, we should do what was done in connexion with the Wool Pool and the Wheat Pool. We should take a referendum, asking the butter producers to vote upon the agreement. If they uphold it there can be no cavil against it, but if they determine to turn the proposal down and to have nothing to do with this Bill, as I feel sure they will, the only thing to be done will be to drop the measure, and so prevent the robbery of the butter producers, which I feel sure will occur if it becomes law.

Mr. ROBERT COOK (Indi) [11.29].—

I rise to oppose the amendment. For the past nine months we have had meeting after meeting on this question, and conferences have been held throughout the length and breadth of Australia. Delegates have attended those conferences from all parts of the Commonwealth. We had two or three such conferences here in Melbourne, and delegates were selected to represent the butter producers.

Mr. PARKER MOLONEY.—Who selected the delegates?

Mr. ROBERT COOK.—The co-operative companies, which have associated with them the whole of the butter producers of Australia. Those who are not in the co-operative companies are in the proprietary companies, and they made their selection. We met in conference, and I venture to say that no measure which has been passed through this House has received more careful consideration than has the Bill now before us. It has the backing of all honest, legitimate butter producers throughout the States. We have in Victoria an association, of which I am chairman, controlling eighty-three co-operative butter factories. We have

a council of thirteen members the whole of whom, with one exception, unanimously favoured the scheme. We are acting in concert with the producers in the other States. I want to make it abundantly clear that this measure is not being rushed through in the interests of a few proprietary people in the industry. Honorable members of the Labour party have indulged in a lot of tomfoolery which will appear in *Hansard*. They wish to lead the public to believe that we have been the lambs of the proprietary people, and that members of the Country party have no knowledge of the butter industry. Before the honorable member for West Sydney (Mr. Ryan) could address the House on this question he had to make interjections and inquiries all round. He obtained information from the honorable member for Wimmera (Mr. Stewart) and others, and then proceeded to make a magnificent speech concerning something of which he really knew nothing. That is characteristic of honorable members opposite. I am familiar with every detail of the dairying industry, and I am certain that with the exception of the honorable member for Hunter (Mr. Charlton) not one member of the Opposition has truly spoken his mind.

Mr. PARKER MOLONEY.—I rise to a point of order. The honorable member for Indi (Mr. Robert Cook) has practically accused every honorable member of this party of lying. He says that not one of us has truly spoken his mind. I ask that that insulting observation be withdrawn, and that the honorable member apologize to the Committee for having made it.

The CHAIRMAN (Hon. J. M. Chanter).—What I understood the honorable member to say was that not one honorable member of the Opposition who had dealt with this measure had truly spoken his mind. I do not take that to be a reflection.

Mr. MAHONY.—I consider that it is a most serious reflection on the Opposition.

Mr. LAVELLE.—I personally think that it is a very offensive remark, and that being so, I hope, Mr. Chairman, that you will insist upon its withdrawal, and call upon the honorable member to apologize.

The CHAIRMAN.—The practice is that if an honorable member makes a personal remark of an offensive character he shall be called upon to withdraw it;

but in my opinion the remark in question was not intended to be offensive.

Mr. LAVELLE.—In my opinion it was offensive.

The CHAIRMAN.—Then I ask the honorable member to withdraw it.

Mr. ROBERT COOK.—Seeing that the honorable member for Hume (Mr. Parker Moloney) has never committed any breach of the Standing Orders I withdraw the remark with pleasure.

Mr. LAVELLE.—I object to the form of the withdrawal. I ask that the expression be withdrawn without any qualification.

The CHAIRMAN.—To what remark does the honorable member refer?

Mr. LAVELLE.—The remark that no one on this side has truly spoken his mind.

The CHAIRMAN.—Order! I have already given my ruling as to that.

Mr. LAVELLE.—I am not satisfied with the withdrawal.

The CHAIRMAN.—Order! The honorable member has already exhausted his time limit.

Mr. LAVELLE.—Then I am surprised at the manner in which the business of the Committee is carried on.

The CHAIRMAN.—Order! If the honorable member refuses to obey the ruling of the Chair I shall name him.

Mr. LAVELLE.—You can name me if you like.

The CHAIRMAN.—Then I name the honorable member for insulting the Chair.

Mr. LAVELLE.—I am not going to withdraw.

Motion (by Sir JOSEPH COOK) proposed—

That the honorable member for Calare (Mr. Lavelle) be suspended from the service of the Committee.

Mr. LAVELLE.—I am asking for a withdrawal.

Mr. ROBERT COOK.—I will willingly withdraw the remark if that will please the honorable member.

The CHAIRMAN.—Order! The honorable member has nothing to withdraw.

Question put. The Committee divided.

Ayes 30

Noes 10

Majority 20

AYES.

Atkinson, L.
 Bayley, J. G.
 Bell, G. J.
 Blundell, R. P.
 Bruce, S. M.
 Cameron, D. C.
 Chapman, Austin
 Cook, Sir Joseph
 Cook, Robert
 Corser, E. B. C.
 Fleming, W. M.
 Foster, Richard
 Gibson, W. G.
 Greene, W. M.
 Groom, L. E.
 Hill, W. C.

Jackson, D. S.
 Mackay, G. H.
 Marr, C. W. C.
 McWilliams, W. J.
 Page, Dr. Earle
 Poynton, A.
 Prowse, J. H.
 Rodgers, A. S.
 Ryrie, Sir Granville
 Smith, Laird
 Stewart, P. G.
 Wise, G. H.

Tellers:

Burchell, R. J.
 Story, W. H.

NOES.

Charlton, M.
 Cunningham, L. L.
 Gabb, J. M.
 Lavelle, T. J.
 Lazzarini, H. P.
 Moloney, Parker

Ryan, T. J.
 Watkins, D.

Tellers:

Mahony, W. G.
 Riley, E.

PAIRS.

Watt, W. A.
 Bowden, E. K.
 Jowett, E.
 Lamond, Hector
 Livingston, J.
 Hughes, W. M.
 Maxwell, G. A.
 Marks, W. M.
 Best, Sir Robert
 Higgs, W. G.
 Francis, F. H.
 Bamford, F. W.

Anstey, F.
 Blakeley, A.
 Nicholls, S. R.
 Catts, J. H.
 Page, James
 Tudor, F. G.
 McGrath, D. C.
 West, J. E.
 Maloney, Dr.
 Mahon, H.
 Fenton, J. E.
 Mathews, J.

In division:

Mr. RYAN.—On a point of order, Mr. Chanter, you informed the honorable member for Calare (Mr. Lavelle) that he had exhausted his time when speaking to a point of order, and I ask your ruling as to whether an honorable member is limited in time when speaking to a point of order.

The CHAIRMAN (Hon. J. M. Chanter).—I did not rule that the honorable member for Calare had exhausted his time in speaking to a point of order.

Mr. RYAN.—I understood that the honorable member was speaking to a point of order and that you informed him that he had exhausted his time.

The CHAIRMAN.—No. The honorable member for Calare was referring to my ruling in an offensive manner, and when I asked him to cease he refused.

Question so resolved in the affirmative.

In the House:

The CHAIRMAN OF COMMITTEES (Hon. J. M. Chanter).—Mr. Speaker, I have to report that the hon-

orable member for Calare (Mr. Lavelle) disregarded the ruling of the Chair, and the Committee has passed a resolution that he be suspended for the remainder of the sitting.

Question.—That the honorable member for Calare (Mr. Lavelle) be suspended from the service of the House—put. The House divided.

Ayes ... 31
 Noes ... 11

Majority ... 20

AYES.

Atkinson, L.
 Bayley, J. G.
 Bell, G. J.
 Blundell, R. P.
 Bruce, S. M.
 Cameron, D. C.
 Chanter, J. M.
 Chapman, Austin
 Cook, Sir Joseph
 Cook, Robert
 Corser, E. B. C.
 Fleming, W. M.
 Foster, Richard
 Gibson, W. G.
 Greene, W. M.
 Groom, L. E.

Hill, W. C.
 Jackson, D. S.
 Mackay, G. H.
 Marr, C. W. C.
 McWilliams, W. J.
 Page, Dr. Earle
 Poynton, A.
 Prowse, J. H.
 Rodgers, A. S.
 Ryrie, Sir Granville
 Smith, Laird
 Stewart, P. G.
 Wise, G. H.
 Tellers:
 Burchell, R. J.
 Story, W. H.

NOES.

Charlton, M.
 Cunningham, L. L.
 Gabb, J. M.
 Lavelle, T. J.
 Lazzarini, H. P.
 Mahony, W. G.

Makin, N. J. O.
 Riley, E.
 Ryan, T. J.
 Tellers:
 Moloney, Parker
 Watkins, D.

PAIRS.

Watt, W. A.
 Bowden, E. K.
 Jowett, E.
 Lamond, Hector
 Livingston, J.
 Hughes, W. M.
 Maxwell, G. A.
 Marks, W. M.
 Best, Sir Robert
 Higgs, W. G.
 Francis, F. H.
 Bamford, F. W.

Anstey, F.
 Blakeley, A.
 Nicholls, S. R.
 Catts, J. H.
 Page, James
 Tudor, F. G.
 McGrath, D. C.
 West, J. E.
 Maloney, Dr.
 Mahon, H.
 Fenton, J. E.
 Mathews, J.

Question so resolved in the affirmative.

The honorable member was, therefore, under standing order No. 59, suspended for the remainder of the day's sitting, and was conducted from the chamber by the Serjeant-at-Arms.

In Committee:

Mr. PARKER MOLONEY (Hume) [11.52].—A statement was made by the honorable member for Indi (Mr. Robert Cook), which was a gross reflection on every member on this side of the chamber. He said that no person here truly spoke his mind.

The CHAIRMAN (Hon. J. M. Chanter).—Attention was drawn to the remark made before the honorable member for Calare (Mr. Lavelle) was suspended, and I dealt with it.

Mr. PARKER MOLONEY.—Shall I be in order in moving that your ruling be dissented from?

The CHAIRMAN.—It would be too late to do that now. Notice of a motion of dissent must be given at the time the ruling is made.

Mr. PARKER MOLONEY.—Then, on a point of order—

The CHAIRMAN.—There can be no point of order now.

Sir JOSEPH COOK.—The honorable member wants to be put out, but we will not put him out.

Mr. PARKER MOLONEY.—I want to understand the Chairman's ruling. Surely he is not going to be stubborn in his attitude to the desires of honorable members when asked about a ruling.

The CHAIRMAN.—I have twice informed the honorable member that the matter has been dealt with, and I believe that it is within his own knowledge that it has been dealt with. Had he desired to dissent from my ruling, he should have done so at the time it was given.

Mr. PARKER MOLONEY.—Then I will address myself to the amendment of the honorable member for Dalléy (Mr. Mahony). The honorable member for Indi made a certain statement regarding the attitude of honorable members on this side. All I have to say to him—

Mr. RYAN.—If he said it outside!

Mr. PARKER MOLONEY.—I do not think that he is prepared to follow the honorable member for Calare (Mr. Lavelle), and say it to him outside.

The CHAIRMAN.—The honorable member must not continue these remarks.

Mr. PARKER MOLONEY.—I have yet to learn that the honorable member for Indi entered this chamber with any reputation for the truth.

The CHAIRMAN.—If the honorable member does not obey the Chair, I shall order him to discontinue his speech.

Mr. PARKER MOLONEY.—I would not be surprised at anything; but I am not going to give you the opportunity until I have had my say. I believe you would. The proposed new clause

commends itself to me; and I say it with an amount of truthfulness which is unknown to the honorable member for Indi.

The CHAIRMAN.—That remark is disorderly, and I ask the honorable member to withdraw it.

Mr. PARKER MOLONEY.—I withdraw it. I do what he was not man enough to do.

The CHAIRMAN.—If the honorable member will not obey the Chair, he must take the consequences.

Mr. PARKER MOLONEY.—I withdraw what I said. I wish to set a good example to the honorable member for Indi.

The CHAIRMAN.—I hope that the honorable member will continue to set a good example.

Mr. PARKER MOLONEY.—I hope that we shall all do so; and that the Chair will set a good example to every one else. I cannot see how any one can object to the amendment. The honorable member for Indi has said that the whole of the primary producers of Australia have had an opportunity of ascertaining what is in the agreement, but I have not heard of one in my electorate who knows anything about it.

Dr. EARLE PAGE.—Are there any dairy farmers in your electorate?

Mr. PARKER MOLONEY.—There are several. I do not think that they are represented on the Pool. The honorable member for Gwydir (Mr. Cunningham) read a letter from a representative dairy farmer in his electorate who said that he had never heard of the Pool. The facts show that what the honorable member for Indi has said is absolutely without foundation, and the honorable member's statement was characteristic of him.

The CHAIRMAN.—That remark is personally offensive, as the honorable member knows.

Mr. ROBERT COOK.—I ask that it be withdrawn.

The CHAIRMAN.—The honorable member will withdraw it.

Mr. PARKER MOLONEY.—Again I set the honorable member for Indi a good example. When he has been long enough here, he may acquire some manners; at present he is devoid of them. I deny his statement that the contents of the agreement are known to the primary

producers at large. Even if that were so, he would not be justified in voting against the proposed new clause. The electors of Indi will have to be told that he has slipped to a very great extent since he entered Parliament. If everything that he said were true, it would not afford him the excuse for which he is seeking to vote against the proposed new clause. Those associated with him were loud in their clamour for the representation of the primary producers on the Wheat and Wool Pools. Yet now that the honorable member for Dalley (Mr. Mahony) has moved for the insertion of a new clause, which will give the dairy farmers full representation on the Dairy Produce Pool, this gentleman, who says that he was sent here to represent the primary producers, quibbles, and makes every excuse for voting against it. Those who understand the requirements of the primary producers cannot cavil at the clause, which I trust will be carried. The rank and file of the dairy farmers, through no fault of their own, know no more about this agreement than did the small wool-growers about the contract for the sale of our wool, for which the Prime Minister (Mr. Hughes) tried to shift his responsibility on to the shoulders of the ex-Treasurer (Mr. Watt).

The CHAIRMAN.—The honorable member is going beyond the clause.

Mr. PARKER MOLONEY.—Is that out of order? I can only account for your ruling by the lateness of the hour.

The CHAIRMAN.—I ask the honorable gentleman to withdraw that remark, and to apologize to the Committee for having made it.

Mr. PARKER MOLONEY.—I would not think it any wonder, because of the lateness of the hour, that any of us might be affected. I withdraw the remark so far as it applies to every one, including the Chairman. Those on this side have always stood for giving full and ample representation to the primary producers on all Pools dealing with the disposal of their produce. I hope that every honorable member will avail himself of the opportunity to discuss the amendment. I do not object to the action of the honorable member for Indi in discussing it; I only take exception to his insulting remark. I do not take exception to his showing where he really stands. The honorable member for West Sydney (Mr. Ryan) has just mentioned, by way of interjection—and

I quite agree with him—that this Bill affords an example of how the Government pools the primary producers. It is in order to see that the primary producer shall not be pooled that honorable members on this side are seeking the insertion of a clause which will provide some measure of protection to dairy farmers. Of course, it is too much to expect the votes of honorable members of the so-called Country party; but, personally, I prefer their seats to their votes.

The CHAIRMAN (Hon. J. M. Chanter).—Order! Will the honorable member please address himself to the matter before the Chair.

Mr. PARKER MOLONEY.—Honorable members in the corner will have to answer for their own misdeeds to their constituents.

The CHAIRMAN.—Order! As the honorable member defies the Chair, I order him to discontinue his speech.

Mr. PARKER MOLONEY.—Do you mean to say that you would put the gag on?

The CHAIRMAN.—Will the honorable member please resume his seat.

Mr. PARKER MOLONEY.—I have finished all I desired to say.

Mr. LAZZARINI (Werriwa) [12.7 a.m.].—I support the amendment. Primary producers should have an opportunity to express their views on this important matter.

Mr. POYNTON.—Would the honorable member apply the same principle in connexion with the increase of members' salaries?

Mr. LAZZARINI.—That is both absurd and irrelevant. Here, the Government proposes to take away a product from its producer, and to say what price he shall receive for the greater part of it, but without giving him an opportunity to say whether or not he agrees. If the principle of first consulting the parties chiefly concerned had been adopted in respect of other Pools of Australia's primary products there would have been avoided confusion and chaos resulting in loss to the people of Australia. Honorable members on this side deny that the producers have been consulted at all. The name of a Mr. Sinclair has been mentioned as that of a representative of the primary producer; but honorable

members have also been told that he has now volunteered as a representative of the consumer. He must be a very adaptable individual! This whole scheme was inaugurated at a conference some of the members of which have had practically nothing to do with primary production, more than half of them being, in fact, middlemen. I have no doubt that we shall find storekeepers, bank managers, and others of that class as members of organizations supposed to be representative of the primary producer. I admit that the producer himself is to a large extent to blame for this, but he very often lives away in the country, ten or fifteen miles from the town in which the organization has its centre.

Dr. EARLE PAGE.—What organization is that?

Mr. LAZZARINI.—There is the farmers and settlers organization, for one.

Dr. EARLE PAGE.—Has this a representative on the Pool?

Mr. LAZZARINI.—Whether it has or not I am simply stating my opinion that the organization referred to by the Minister (Mr. Greene), and by some honorable members in the Government corner, is not really representative of the primary producer.

Dr. EARLE PAGE.—Your opinion is quite contrary to fact.

Mr. LAZZARINI.—I throw the challenge out to the Government to put the question to a vote of the producers, for I feel sure that this proposal would be turned down.

Mr. CORSER.—And delay the Bill.

Mr. LAZZARINI.—Better delay the Bill if by doing so we can give satisfaction to those who are most concerned. I make a direct challenge to the Government, who say that this legislation is introduced with the concurrence of the primary producers and has their whole-hearted support. The amendment is based on the fact that the party to which I belong believes in the principle of allowing those most interested to have a say.

Mr. GABB.—I beg to draw attention to the state of the House. [*Quorum formed.*]

Mr. LAZZARINI.—Let me refer to my own electorate, for instance.

Dr. EARLE PAGE.—How many dairy-men are there?

Mr. LAZZARINI.—I do not know, but a large proportion of my electors are

engaged in primary production in the way of dairy farming, and I shall make it my duty to find out how many of them had any knowledge that the contract was to be made. Only recently I was amongst them, and nothing was said to convey the impression to me that this legislation was within their knowledge. As to the taunt of the honorable member for Cowper (Dr. Earle Page), the dairymen in my electorate may not be in business on a large scale, but they all depend on it for their living; and I am sure that if this contract or arrangement, with all the manipulation that is possible under it, will have the effect of depreciating their return in any way, they will turn it down. No fair-minded person in the House, or out of it, can have any valid objection to the matter being referred to the primary producers themselves, who should be afforded an opportunity of saying whether the agreement entered into with the Imperial authorities is calculated to conserve their interests or otherwise.

Mr. GABB (Angas) [12.21 a.m.].—I also support the insertion of the proposed new clause.

Mr. GREENE.—I move—

That the question be now put.

Question.—That the question be now put—put. The Committee divided.

Ayes	30
Noes	9

Majority	21
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AYES.

Atkinson, L.	Jackson, D. S.
Bayley, J. G.	Mackay, G. H.
Bell, G. J.	Marr, C. W. C.
Blundell, R. P.	McWilliams, W. J.
Bruce, S. M.	Page, Dr. Earle
Cameron, D. C.	Poynton, A.
Chapman, Austin	Prowse, J. H.
Cook, Sir Joseph	Rodgers, A. S.
Cook, Robert	Ryrie, Sir Granville
Corser, E. B. C.	Smith, Laird
Fleming, W. M.	Stewart, P. G.
Foster, Richard	Wise, G. H.
Gibson, W. G.	
Greene, W. M.	
Groom, L. E.	
Hill, W. C.	

Tellers:

Burchell, R. J.
Story, W. H.

NOES.

Cunningham, L. L.	Riley, E.
Gabb, J. M.	Ryan, T. J.
Lazzarini, H. P.	Tellers:
Mahony, W. G.	Charlton, M.
Moloney, Parker	Watkins, D.

PAIRS.

Watt, W. A.	Anstey, F.
Bowden, E. K.	Blakeley, A.
Jowett, E.	Nicholls, S. R.
Lamond, Hector	Catts, J. H.
Livingston, J.	Page, James
Hughes W. M.	Tudor, F. G.
Maxwell, G. A.	McGrath, D. C.
Marks, W. M.	West, J. E.
Best, Sir Robert	Maloney, Dr.
Higgs, W. G.	Mahon, H.
Francis, F. H.	Fenton, J. E.
Bamford, F. W.	Mathews, J.

Question so resolved in the affirmative.

Question—That the proposed new clause be agreed to—put. The Committee divided.

Ayes	..	..	8
Noes	..	..	30

Majority .. 22

AYES.

Cunningham, L. L.	Ryan, T. J.
Gabb, J. M.	
Lazzarini, H. P.	<i>Tellers:</i>
Mahony, W. G.	Riley, E.
Moloney, Parker	Watkins, D.

NOES.

Atkinson, L.	Jackson, D. S.
Bayley, J. G.	Mackay, G. H.
Bell, G. J.	Marr, C. W. C.
Blundell, R. P.	McWilliams, W. J.
Bruce, S. M.	Page, Dr. Earle
Cameron, D. C.	Poynton, A.
Chapman, Austin	Prowse, J. H.
Cook, Sir Joseph	Rodgers, A. S.
Cook, Robert	Ryrie, Sir Granville
Corser, E. B. C.	Smith, Laird
Fleming, W. M.	Stewart, P. G.
Foster, Richard	Wise, G. H.
Gibson, W. G.	
Greene, W. M.	<i>Tellers:</i>
Groom, L. E.	Burchell, R. J.
Hill, W. C.	Story, W. H.

PAIRS.

Anstey, F.	Watt, W. A.
Blakeley, A.	Bowden, E. K.
Nicholls, S. R.	Jowett, E.
Catts, J. H.	Lamond, Hector
Page, James	Livingston, J.
Tudor, F. G.	Hughes, W. M.
McGrath, D. C.	Maxwell, G. A.
West, J. E.	Marks, W. M.
Maloney, Dr.	Best, Sir Robert
Mahon, H.	Higgs, W. G.
Fenton, J. E.	Francis, F. H.
Mathews, J.	Bamford, F. W.

Question so resolved in the negative.

Proposed new clause negatived.

Preamble agreed to.

Title.

Mr. RYAN (West Sydney) [12.34 a.m.].—This is called "A Bill for an Act relating to the Exportation of Butter from the Commonwealth," and the short

title is "The Butter Agreement Act 1920." That is a misnomer. It is highly desirable that Parliament should not give misleading titles to Bills. This is something more than a Bill relating to the exportation of butter from the Commonwealth. It refers also to the prohibition of the export of butter.

Mr. GREENE.—It refers to that and other things, amongst them the constitution of the Dairy Produce Pool Committee.

Mr. RYAN.—That is not set out in the title, and the omission is an indication to me that the person responsible for the title wished to convey something to the public, particularly to the butter producers, which does not express the true intent and purpose of the Bill. I move—

That the words "prohibition of"—

Mr. GREENE.—I move—

That the question be now put.

Mr. RYAN.—I have moved an amendment, and that is the question which must be put.

The TEMPORARY CHAIRMAN (Mr. Fleming).—The Minister had moved "That the question be now put" before the honorable member had moved his amendment.

Mr. RYAN.—If that is your ruling, I shall move that it be disagreed to.

The TEMPORARY CHAIRMAN.—There can be no debate after a motion has been made "That the question be now put."

Question—That the question be now put—put. The Committee divided.

Ayes	..	..	28
Noes	..	..	8

Majority .. 20

AYES.

Bayley, J. G.	Jackson, D. S.
Bell, G. J.	Mackay, G. H.
Blundell, R. P.	Marr, C. W. C.
Bruce, S. M.	Page, Dr. Earle
Cameron, D. C.	Poynton, A.
Chapman, Austin	Prowse, J. H.
Cook, Sir Joseph	Rodgers, A. S.
Cook, Robert	Ryrie, Sir Granville
Corser, E. B. C.	Smith, Laird
Fleming, W. M.	Stewart, P. G.
Foster, Richard	Wise, G. H.
Gibson, W. G.	
Greene, W. M.	<i>Tellers:</i>
Groom, L. E.	Burchell, R. J.
Hill, W. C.	Story, W. H.

NOES.

Cunningham, L. L.
Gabb, J. M.
Lazzarini, H. P.
Riley, E.
Ryan, T. J.

Watkins, D.

Tellers:

Mahony, W. G.
Moloney, Parker

PAIRS.

Watt, W. A.
Bowden, E. K.
Jowett, E.
Lamond, Hector
Livingston, J.
Hughes, W. M.
Maxwell, G. A.
Marks, W. M.
Best, Sir Robert
Higgs, W. G.
Francis, F. H.
Bamford, F. W.

Anstey, F.
Blakeley, A.
Nicholls, S. R.
Catts, J. H.
Page, James
Tudor, F. G.
McGrath, D. C.
West, J. E.
Maloney, Dr.
Mahon, H.
Fenton, J. E.
Mathews, J.

Question so resolved in the affirmative.

Title agreed to.

Bill reported with amendments.

Standing Orders suspended; report adopted.

Bill read a third time.

SEA CARRIAGE OF GOODS
SELECT COMMITTEE.

Mr. RICHARD FOSTER presented
the second interim report of the Sea
Carriage of Goods Select Committee.

Ordered to be printed.

House adjourned at 12.47 a.m. (Friday).

Members of the House of Representatives.

Speaker—The Honorable Sir Elliot Johnson, K.C.M.G.

Chairman of Committees—The Honorable John Moore Chanter.

Anstey, Frank ..	Bourke (V.)	Hughes, R.ight Hon. William	Bendigo (V.)
Atkinson, Llewelyn ..	Wilmot (T.)	Morris, P.C., K.C.	
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Bayley, James Garfield ..	Oxley (Q.)	K.C.M.G.	
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D.S.O.		Kerby, Edwin Thomas	Ballarat (V.)
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Bruce, Stanley Melbourne,	Flinders (V.)	Mahon Hon Hugh ..	Kalgoorlie (W.A.)
M.C.		Mahony, William George..	Da ley (N.S.W.)
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M.C.		Oswald	
Cameron Donald Charles,	Brisbane (Q.)	Maloney, William ..	Melbourne (V.)
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Moore		Mathews, James ..	Melbourne Ports (V.)
Chapman, Hon Austin ..	Eden-Monaro	Maxwell, George Arnot ..	Fawknor (V.)
	(N.S.W.)	McDonald, Hon. Charles ..	Kennedy (Q.)
Charlton, Matthew † ..	Hunter (N.S.W.)	McGrath, David Charles ..	Ballarat (V.)
Considine, Michael Patrick	Barrier (N.S.W.)	McWilliams, William James	Franklin (T.)
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Corser, Edward Bernard	Wide Bay (Q.)	Grafton	
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Lawrence		Prowse, John Henry ..	Swan (W.A.)
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gomerie		Rodgers, Hon. Arthur Stan-	Wannon (V.)
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Massy		Story, William Harrison ..	Boothby (S.A.)
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Hoom, Hon. Littleton	Darling Downs (Q.)	Watkins, Hon. David ..	Newcastle (N.S.W.)
Moore		Watt, Right Hon. William	Balaclava (V.)
Alexander ..	New England	Alexander, P.C.	
	(N.S.W.)	West, John Edward	East Sydney
Hon. William Guy	Capricornia (Q.)		(N.S.W.)
William Caldwell ..	Echuca (V.)	Wienholt, Arnold ..	Moreton (Q.)
		Wise, Hon. George Henry	Gippsland (V.)

born 27th February, 1920. — 2. Sworn 3rd March, 1920. — 3. Appointed Temporary Chairman of Committees.
 4th March 1920. — 4. Made affirmation, 5th March, 1920. — 5. Election declared void, 2nd June, 1920.
 — † Sworn 11th May, 1920. — 6. Elected 10th July, 1920. Sworn 21st July, 1920.

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